

ADDENDUM PACKAGE

SOLICITATION: SP0600-99-R-0118

PURCHASE PROGRAM: 1.1M

THE ENCLOSED SOLICITATION COVERS THE PERIOD:

OCTOBER 1, 1999 THROUGH DECEMBER 31, 2000

To be timely, offers must be received at the Defense Energy Support Center by:
1:00 P.M., LOCAL TIME, AUGUST 3, 1999

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This segment applies to both domestic and foreign concerns offering on this solicitation		
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SEGMENT II

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SECTION I (SEGMENT II)

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SEGMENT I

This segment applies to both domestic and foreign concerns offering on this solicitation.

SECTION B**B14.04 ESTIMATED SUPPLIES TO BE FURNISHED (DOMESTIC BULK) (DESC JUN 1992)**

(a) Prices indicated hereunder are subject to adjustment pursuant to the terms of this contract.

(b) The maximum and minimum quantities are defined in the DELIVERY-ORDER LIMITATIONS - SCOPE OF CONTRACT clause.

(c) The refined product to be furnished hereunder, f.o.b. point, method of delivery, and estimated quantity are as follows:

Line Item : 0101

<u>Product</u>	<u>FOB Origin</u>	<u>Method of Delivery</u>	<u>Estimated Quantity</u>	<u>Price/USG</u>
Diesel Fuel Oil F76 NSN9140-00-273-2377	East/Gulf Coast Port	Tanker Origin (through a dedicated pipeline) or Tanker Destination Haifa, Israel	42,000,000 USG	

Note 1: The diesel fuel shall conform to the latest revision of MIL-F-16884J modified as follows:

- a. The **Density** shall be **820-860 Kg/m³**.
- b. The **Cetane Number** shall be **50 min.**
- c. The **Cetane Index** shall be **50 min.**
- d. The **Sulphur Content** shall be **0.05% max.** (wt%)
- e. The **Distillation, 90% point** shall be **330°C max.**
- f. The **Distillation, End point** shall be **357°C max.**
- g. The **Cloud Point** shall be **(-9)°C max.**
- h. The **Pour Point** shall be **(-15)°C max.**
- i. The **Acid Number** shall be **0.15 mg KOH/100ml max.**
- j. The **Flash Point** shall be **60° min.**
- k. The **Color** shall be **2 max.**
- l. The **lubricity** of the diesel fuel shall be **460 micrometer max.** according to ASTM D6079-97 or ISO 12156-1, or according to alternative method **SLBOCLE** and shall be **2800 g min.** according to ASTM-D-6098.
- m. The **Water content** shall be **0.05% wt. max.**
- n. **The Kinematic Viscosity** shall be **2.5-6.0 cSt**
- o. The fuel **shall be** a straight run Diesel Gas-Oil, and **shall not** contain any re-formatted or cracked components.
- p. The following additives shall **not** be added to the product:
 - 1) Pour point depressant.
 - 2) Fuel System Icing Inhibitors (FSII).
 - 3) Metal Deactivator.
 - 4) Dyes.
 - 5) Biocide additives.

Note 2. Pipeline – fuel shall be transferred from the refinery to the seashore storage facilities to ocean tanker by pipeline intended for carrying diesel gas-oil. Other methods which will guarantee the integrity of the product will be considered. Transfer of ownership of the product will occur at the flange, i.e. the connection of shore line to vessel.

Note 3: The fuel shall be supplied within one (1) month of its manufacture.

Note 4: The delivery point shall be the same East/Gulf coast port for each shipment.

Note 5: The maximum vessel draft will be 36 feet plus 2 feet for a safety allowance.

Note 6: Load port must be capable of handling vessel lengths (LOA) up to 680 feet accessible for commercial vessels.

Note 7: Clause E1, CONTRACTOR INSPECTION RESPONSIBILITIES, is amended as follows:

Table 1, Location 1, Type of Sample – add second requirement, Upper, Middle and Lower sample.
Under type of Test add “On each layer, perform Specific Gravity and Distillation.”

Note 8: Delivery shall be FOB Origin at the East or Gulf coast port (to be determined at the time of award) or FOB Destination, Haifa, Israel. Projected delivery is 1 October 1999 – December 31, 2000.

Note 9: Contract period of performance will be the date of award until December 31, 2000.

Note 10: DESC anticipates four lifts of approximately 250,000 BBLs each.

Note 11: Tanker Destination offers must be via U.S. Flag Vessel.

SPECIAL NOTE: A Government of Israel/Ministry of Defense representative may accompany the US Government Quality Assurance Representative in the product inspection procedures as an observer only.

Line Item : 0201

<u>Product</u>	<u>FOB Origin</u>	<u>Method of Delivery</u>	<u>Estimated Quantity</u>	<u>Price/USG</u>
Turbine Fuel, Aviation, JP8 NSN: 9130-01-031-5816	East/Gulf Coast Port	Tanker Origin (through a dedicated pipeline) or Tanker Destination Haifa, Israel	74,088,000 USG	

Note 1: The jet fuel shall conform to the latest revision of MIL-T-83133D modified as follows:

- a. The Saybolt color shall be +10 minimum according to ASTM D-156.
- b. The jet fuel shall be clear & bright at ambient temperature.

Note 2: The jet fuel shall be sweetened by any method, except copper based processes.

Note 3: The following additives shall not be added to the product:

- 1) Metal deactivator
- 2) Static dissipation additive
- 3) Corrosion Inhibitor
- 4) Fuel System Icing Inhibitor (FSII)

Note 4: **Antioxidant** of type listed in the abovementioned specification, shall be added to the fuel, at a concentration of **17.0 – 24.0 mg/l**, regardless the process used. The contractor shall state the type and concentration of the antioxidant used.

Note 5: Reference Clause E1

- A) Table 1, location 1, type of test – shall be “A2 plus Peroxide content, Saybolt Color stability, Distillation” for tank composite.

B) Table 1, location 7, Type of test – shall be “C plus particulate plus Saybolt color.”

C) Table 1, location 9, Type of test – shall be “B plus Saybolt color, plus Acidity test.”

Note 6. Pipeline – fuel shall be transferred from the refinery to the seashore storage facilities to ocean tanker by pipeline intended for carrying jet fuel. Other methods which will guarantee the integrity of the product will be considered. Transfer of ownership of the product will occur at the flange, i.e. the connection of shore line to vessel.

Note 7: The fuel shall be supplied within one (1) month of its manufacture.

Note 8: The delivery point shall be the same East/Gulf coast port for each shipment.

Note 9: The maximum vessel draft will be 36 feet plus 2 feet for a safety allowance.

Note 10: Load port must be capable of handling vessel lengths (LOA) up to 680 feet accessible for commercial vessels.

Note 11: Delivery shall be FOB Origin at the East or Gulf coast port (to be determined at the time of award) or FOB Destination, Haifa, Israel. Projected delivery is January 1, 2000 – August 31, 2000.

Note 12: Contract period of performance will be the date of award until August 31, 2000.

Note 13 DESC anticipates seven lifts of approximately 252,000 BBLS each.

Note 14: Tanker Destination offers must be via U.S. Flag Vessel.

SPECIAL NOTE: A Government of Israel/Ministry of Defense representative may accompany the US Government Quality Assurance Representative in the product inspection procedures as an observer only.

Line Item : 0301

<u>Product</u>	<u>FOB Origin</u>	<u>Method of Delivery</u>	<u>Estimated Quantity</u>	<u>Price/USG</u>
Gasoline Automotive Premium (Unleaded) NSN9140-00-273-2377	East/Gulf Coast Port)	Tanker Origin (through a dedicated pipeline) or Tanker Destination Haifa, Israel	10,591,140 USG	

Note 1: The diesel fuel shall conform to the latest revision of ASTM D-4814 modified as follows:

- a. The **Specific Gravity** shall be **715-780 Kg/m³**.
- b. The **Research Octane Number (RON)** shall be **95 min.**
- c. The **Motor Octane Number (MON)** shall be **85 min.**
- d. The **Sulphur Content** shall be **0.05% max.** (wt%)
- e. The **Distillation, 10% point** . shall be **73°C max.**
- f. The **Distillation, 50% point** . shall be **125°C max.**
- g. The **Distillation, 90% point** . shall be **180°C max.**
- h. The **Distillation, End Point** . shall be **215°C max.**
- i. The **Distillation, Residue** shall be **1.5% max (vol%).**
- j. The **Distillation, Loss** shall be **1.5% max (vol%).**
- k. The **Lead Content** . shall be **0.005 g/L max.**
- l. The **Benzene Content** shall be **1.0% max. (vol%)**
- m. The **Phosphorus Content** shall be **0.0013 g/L max.**
- n. The **Reid Vapor Pressure** shall be **6.5-9.5 psi** according to ASTM D 323 if the gasoline does not contain alcohol or the **Dry Vapor Pressure** shall be **45-66 kPa** if the gasoline contains alcohol.
- o. The **Vapor Lock Index (VLI)** shall **910 max.** according to the following equation:

VLI=10(VP)+7(E70), in which;

VP=Vapor Pressure (kPa).

E70=%Distillate at 70°C.

- p. The **Copper Strip Corrosion** shall be **1 max.(3hours at 50°C).**
- q. The **Existent (washed) Gum** shall be **5 mg/100ml max.**
- r. The **Oxidation** shall be **360 minutes min.**
- s. The **Aromatics Content** shall be reported according to ASTM 4420.
- t. The **Water Tolerance** shall be 10°C (Summer) or -6°C (Winter) according to ASTM D 4814, annex A-1 (Summer =1 April – 31 October, Winter=1 November – 31 March).
- u. The only permitted oxygenate is MTBE . The gasoline may, but is not required to, Methyl Tertiary Butyl Ether (MTBE). In any case of using **MTBE** the maximum content shall be **10% (vol%).**
- v. The **Color** shall be undyed and not darker than **1.5 units.**
- w. The **Oxygen Content** in gasoline-alcohol-ether blend shall be **2.8% max.(wt%).**
- x. The **Alcohol Content** shall be: **3% Methanol max. (vol%).**
5% Ethanol max. (vol%).
5% Isopropanol max. (vol%).
7% Tertiary Butanol max. (vol%).
- y. The **Ethers (containing at least 5 atoms of carbon in the molecule) Content** shall be **15% max.**
- z. The **Particulate Content** shall be **10 mg/L max.**
- aa. The following additives may be added to the product;
 - 1) Antioxidants, Aminic Antiosidants and Phanolic Antioxidants (130 ppm max), as specified in Attachment 1.
 - 2) Rust Inhibitors (10 mg/L max) qualified under U.S. military specification MIL-I-25017, as specified in Attachment 1.
 - 3) Metal Deactivator (30 ppm max.) as specified in Appendix C.
- bb. The following additives shall not be added to the product:
 - 1) Dyes
 - 2) Detergent Additives

Note 2. Pipeline – fuel shall be transferred from the refinery to the seashore storage facilities to ocean tanker by pipeline intended for carrying unleaded motor gasoline. Other methods which will guarantee the integrity of the product will be considered. Transfer of ownership of the product will occur at the flange, i.e. the connection offshore line to vessel.

Note 3: The fuel shall be supplied within one (1) month of its manufacture.

Note 4: The delivery point shall be the same East/Gulf coast port for each shipment.

Note 5: The maximum vessel draft will be 36 feet plus 2 feet for a safety allowance.

Note 6: Load port must be capable of handling vessel lengths (LOA) up to 680 feet accessible for commercial vessels.

Note 7: Delivery shall be FOB Origin at the East or Gulf coast port (to be determined at the time of award) or FOB Destination, Haifa, Israel. Projected delivery is December 1, 1999 – December 31, 1999.

Note 8: Contract period of performance will be the date of award until December 31, 1999.

Note 9: DESC anticipates four lifts of approximately 252,170 BBLS each.

Note 10: Tanker Destination offers must be via U.S. Flag Vessel.

SPECIAL NOTE: A Government of Israel/Ministry of Defense representative may accompany the US Government Quality Assurance Representative in the product inspection procedures as an observer only.

**B19.33 ECONOMIC PRICE ADJUSTMENT - PUBLISHED MARKET PRICE (DOMESTIC BULK)
(DESC MAR 1997)**

(a) **WARRANTIES.** The Contractor warrants that--

(1) The base unit prices set forth in the Schedule do not include allowances for any portion of the contingency covered by this clause; and

(2) The prices to be invoiced shall be computed in accordance with the provisions of this clause.

(b) **DEFINITIONS.** As used throughout this clause, the term--

(1) **Base unit price** means the unit price set forth opposite the item in the Schedule.

(2) **Market price** means the price to be used in determining an economic price adjustment of the base unit price of an individual product for the market area and time period specified in this clause. The market price is derived from quotes, assessments, or sales prices in the market place for one or several items or commodity groups as reported in a consistent manner in a publication, electronic data base, or other form, as determined by an independent trade association, governmental body, or other third party independent of the Contractor.

(i) **Base market price** means the price as shown in Column V of the Table below which is the market price from which economic price adjustments are calculated pursuant to this clause.

(ii) **Adjusting market price** means the market price for deliveries during the most recent period, as defined in the Table below.

(3) **Date of delivery** is defined as follows:

(i) **FOR TANKER OR BARGE DELIVERIES.**

(A) **F.O.B. ORIGIN.** The date and time vessel commences loading.

(B) **F.O.B. DESTINATION.** The date and time vessel commences discharging.

(ii) **FOR PIPELINE DELIVERIES.** The date and time product commences to move past the specified f.o.b. point.

(iii) **FOR ALL OTHER TYPES OF DELIVERIES.** The date product is received.

(c) **ADJUSTMENTS.**

(1) Subject to the provisions of this clause, the price payable shall be the base unit price in effect on the date of delivery increased or decreased by the same number of cents, or fraction thereof, that the adjusting market price increases or decreases, per like unit of measure, from the base market price.

(2) **CALCULATIONS.** All calculations shall be rounded to six decimal places.

(3) **MODIFICATIONS.** Any resultant price changes to the base market price and base unit price shall be executed by the Contracting Officer through a weekly price adjustment modification effective each Tuesday.

(4) **FAILURE TO DELIVER.** Notwithstanding any other provisions of this clause, no upward adjustment shall apply to product scheduled under the contract to be delivered before the effective date of the adjustment, unless the Contractor's failure to deliver according to the delivery schedule results from causes beyond the Contractor's control and without its fault or negligence, within the meaning of paragraphs (f), Excusable Delays, and (m), Termination for Cause, of the CONTRACT TERMS AND CONDITIONS - COMMERCIAL ITEMS clause of this contract, in which case the contract shall be amended to make an equitable extension of the delivery schedule.

(5) **UPWARD CEILING ON ECONOMIC PRICE ADJUSTMENT.** The Contractor agrees that the total increase in any contract unit price, pursuant to these economic price adjustment provisions shall not exceed 60 percent of the original base unit price in any applicable program year (whether a single year or multiyear program), except as provided hereafter.

(i) If at any time the Contractor has reason to believe that within the near future a price adjustment under the provisions of this clause will be required that will exceed the current contract ceiling price for any item, the Contractor shall promptly notify the Contracting Officer in writing of the expected increase. The notification shall include a revised ceiling which the Contractor believes is sufficient to permit completion of remaining contract performance, along with appropriate explanation and documentation as required by the Contracting Officer.

(ii) If an actual increase in the established market price would raise a contract unit price for an item above the current ceiling, the Contractor shall have no obligation under this contract to fill pending or future orders for such item, as of the effective date of the increase, unless the Contracting Officer issues a contract modification to raise the ceiling. If the contract ceiling will not be raised, the Contracting Officer shall so promptly notify the Contractor in writing.

(6) **REVISION OF MARKET PRICE INDICATOR.** In the event--

(i) Any applicable market price indicator is discontinued or its method of derivation is altered substantially; or

(ii) The Contracting Officer determines that the market price indicator consistently and substantially fails to reflect market conditions,--

the parties shall mutually agree upon an appropriate and comparable substitute and the contract shall be modified to reflect such substitute effective on the date the indicator was discontinued, altered, or began to consistently and substantially fail to reflect market conditions. If the parties fail to agree on an appropriate substitute, the matter shall be resolved in accordance with paragraph (d), Disputes, of the CONTRACT TERMS AND CONDITIONS - COMMERCIAL ITEMS clause of this contract.

(d) **CONVERSION FACTORS.** If this clause requires quantity conversions for economic price adjustment purposes, the factors specified in the CONVERSION FACTORS clause shall apply, unless otherwise specified in the Schedule.

(e) **EXAMINATION OF RECORDS.** The Contractor agrees that the Contracting Officer or designated representative shall have the right to examine the Contractor's books, records, documents, or other data the Contracting Officer deems necessary to verify Contractor adherence to the provisions of this clause.

(f) **FINAL INVOICE.** The Contractor shall include a statement on the final invoice that the amounts invoiced hereunder have applied all decreases required by this clause.

(g) **TABLE.**

I	II	III	IV	V
<u>Item No.</u>	<u>Name of Publication</u>	<u>Heading under which market indicator is published and name of product</u>	<u>Location where market price is applicable</u>	<u>Base market price as of <u>JUN 22, 1999</u> (excludes all taxes) (see note(s) below)</u>
0101	Platts Oilgram Price Report	No. 2	US Gulf Coast Pipeline	\$0.424250
201	Platts Oilgram Price Report	JET KERO 54	US Gulf Coast Pipeline	\$0.451500
0301	Platts Oilgram Price Report	UNL MIDGRD 89	US Gulf Coast Pipeline	\$0.504250

NOTE: Buyer shall include a note or notes in the Table which will identify the specific publication(s), method(s), and time period(s) for calculating the market price(s), as exemplified below:

For Platt's Oilgram: "NOTE: The East/Gulf Coast adjusting market price will be firm for weekly periods and is defined as the average of the applicable daily Platt's spot assessment quotations effective for the prior week. The simple average of the daily average highs and lows of the prices effective Monday through Friday (excluding any days prices are not published) shall be the adjusting market price effective for the following Tuesday through Monday."

For Oil Price Information Service: "NOTE: The Rocky Mountain adjusting market price will be firm for weekly periods and is defined as the Oil Price Information Service Publication applicable weekly quotations effective for the prior week. The simple average of the highs and lows of the prices effective the prior week shall be the adjusting market price effective for Tuesday through Monday."

(DESC 52.216-9F33)

SECTION C

C1 SPECIFICATIONS (DESC JAN 1997)

Product to be supplied shall fully meet the requirements of the applicable specification(s) as indicated in the Supply Schedule, except as modified elsewhere in this contract. Unless otherwise indicated by the Contractor, prior to award and in accordance with the

EVALUATION OF OFFERS clause, the product offered will be assumed to fully meet the applicable specification(s).

C1.02 DODISS SPECIFICATIONS (DESC JUN 1999)

Unless otherwise specified, the issues of Federal and Military specifications, standards, and related standardization documents and those non-Government standards adopted for Department of Defense use, which are cited in this solicitation/contract, are those listed in the Department of Defense Index of Specifications and Standards (DODISS) dated July 1, 1998, and its supplement dated May 1, 1999.

(DESC 52.246-9FT1)

C16.18-6 GASOLINE, AUTOMOTIVE, UNLEADED (REGULAR/MIDGRADE/PREMIUM) (DESC SEP 1998)

Product shall conform to ASTM D 4814 with the following additional requirements:

(a) **OCTANE REQUIREMENT.** The Government's octane requirement is expressed by the Anti-Knock Index (AKI). The AKI is the average of the research octane number (RON) and the motor octane number (MON). The minimum AKI values are identified in (b) below. If the AKI value is not reported, then the RON value and the sensitivity of the fuel shall be reported. The sensitivity is the difference between the RON and the MON. The sensitivity of the fuel shall be 10 or less.

(b) **PRODUCT CLASSIFICATION.** The product shall be classified as described below:

NATIONAL STOCK NUMBER	PRODUCT NOMENCLATURE	AKI, MINIMUM
9130-00-148-7103	Gasoline, Regular, Unleaded	87
9130-01-272-0983	Gasoline, Midgrade, Unleaded	89
9130-00-148-7104	Gasoline, Premium, Unleaded	91

(c) **VAPOR PRESSURE.** The volatility class shall be as stated in the Schedule.

(d) **ADDITIVES.** Additives and additive concentration shall be as specified below. Application for approval of additives not listed below should be made to DESC-BP.

(1) **OXIDATION INHIBITORS.** The gasoline shall contain not less than five pounds nor more than 15 pounds of oxidation inhibitor (active ingredient) per 1,000 barrels of gasoline. Any one of a combination of the following oxidation inhibitors may be used:

- (i) N,N' disecundary butyl-para-phenylenediamine
- (ii) N,N' di-isopropyl-paraphenylenediamine
- (iii) N,N' dioctyl-para-phenylenediamine
- (iv) N,N' -bis-(1,4-dimethylpentyl)-para-phenylenediamine
- (v) N,N' disecundary butyl-ortho-phenylenediamine
- (vi) 2,6-ditertiary-butyl phenol
- (vii) 2,6-ditertiary-butyl-4-methylphenol
- (viii) 2,4-dimethyl-6-tertiarybutylphenol
- (ix) Triethylene tetramine di(monononyphenolate)
- (x) Mixed tertiary butylphenols
- (xi) N, secondary butyl, N, pheny-ortho-phenylenediamine
- (xii) Mixed 2,6-dialkyl and 2,4,6-trialkyl phenols (containing mixed hexyl and heptyl groups)
- (xiii) 2,4-ditertiary-butylphenol (60 weight percent minimum) and mixed tertiarybutylphenols (40 weight percent maximum)
- (xiv) 2,4-ditertiary-butylphenol (containing monotritertiary butylphenol)
- (xv) Butylated ethyl phenols (55 weight percent minimum) and butylated methyl and dimethyl phenols (45 weight percent maximum)

(2) **METAL DEACTIVATORS.** The gasoline shall contain not less than one pound nor more than three pounds of an approved metal deactivator (active ingredient) per 1,000 barrels of gasoline. Any one of the following metal deactivators may be added separately or in combination with an approved oxidation inhibitor:

- (i) N,N' disalicylidene -1,2-ethanediamine
- (ii) N,N' disalicylidene -1,2-propanediamine
- (iii) N,N' disalicylidene -1,2-cyclohexanediamine
- (iv) Disalicylidene-N-methyl-dipropylene-triamine

(3) **CORROSION INHIBITOR.** An approved corrosion inhibitor may be added. Any corrosion inhibitor used shall be a product that is qualified under MIL-I-25017. The quantity added shall not exceed the maximum approved in the qualified products list (QPL-25017).

(e) **WATER TOLERANCE REQUIREMENT.** The maximum temperature for phase separation as determined by the water tolerance test shall be 10°C.

(DESC 52.246-9FHK)

C16.23 FUEL, NAVAL DISTILLATE (F76) (DESC AUG 1998)

Military Specification MIL-F-16884J dated May 31, 1995, applies with the following modifications:

(a) **APPEARANCE REQUIREMENT.** Delete appearance requirement in footnote 1, table 1, in the specification and replace with the following: The fuel haze rating shall not exceed 2 as determined by ASTM D 4176, procedure 2, at a maximum product temperature of 25°C (77°F) and with no visible water present.

(b) **ACID NUMBER REQUIREMENT.** Delete the acid number requirement in table 1 in the specification and replace with the following: Acid number, mg KOH/g, max., 0.30, ASTM D 974(R), ASTM D 664.

(c) **COLOR DETERMINATION.** ASTM D 6045-96 may be used as a substitute test method for ASTM D 1500.

(d) **AUTOMATED CLOUD POINT.** ASTMs D 5771-95, D 5772-95, and D 5773-95 may each be used as substitute test methods for ASTM D 2500-91.

(e) **STABILIZER ADDITIVE.** Line injection of stabilizer additive is permitted under the following conditions:

(1) A laboratory hand blend containing the additive F76 must be tested to verify compliance with all specification requirements.

(2) The additive must be proportionately injected throughout the entire loading process to ensure the additive is homogeneously blended into the F76. The Contractor shall maintain records evidencing the homogenous blending of the line injected additive. Such methods may include meter or tank gauge readings taken at intervals to provide confidence in the injection process.

(f) **FIRST TIME CONTRACTORS.** The hydrogen content test and oxygen overpressure test for storage stability allow DESC to better predict a fuel's storage stability performance.

(1) HYDROGEN CONTENT.

(i) The hydrogen content test method requires analysis by a Nuclear Magnetic Resonance (NMR) instrument, and is written around a particular brand of equipment. Proposals for use of NMR equipment produced by other manufacturers will be considered, provided the procedural and repeatability/reproducibility limits of ASTM D 4808-92 can be met.

(ii) Various independent research labs have the capability to run the hydrogen content test on a fee-for-service basis. The Contractor may propose use of an outside lab throughout the contract period provided he is willing to ensure that the results are obtained prior to product shipment. This may not be a practical alternative because of constraints on tankage or the distance and time involved to transport the sample(s), but it could become more attractive if only a small number of product batches are to be tested. The name and phone number for a U.S. laboratory that performs this service is available upon request.

(2) STORAGE STABILITY TEST.

(i) The oxygen overpressure test (ASTM D 5304-94) has been demonstrated to more effectively predict the tendency of a fuel to deteriorate during long term storage than the conventional 16 hour ASTM D 2274-94 test. Because F76 may be stored for periods of up to a year or longer prior to use, it is important for DESC to be able to anticipate the likelihood that fuel will form insoluble solids and/or substantially darken during periods of storage. The atmosphere pressure stability test (ASTM D 2274-94) can only achieve similar predictive capability when extended to a period of 40 hours.

(ii) Names and phone numbers for a suitable source for the components of the oxygen overpressure test apparatus are available upon request.

(3) **TIMELY RECEIPT OF TEST EQUIPMENT.** In the event that the test method described above (hydrogen content/storage stability) cannot be performed immediately upon award of a contract due to the length of time required for ordering, shipping, setup and test of the new equipment, or an independent laboratory capable of performing the testing cannot be found, suppliers may, for a period of up to 120 days from date of award, supply F76 without test data for hydrogen content by NMR and/or total insolubles formed by ASTM D 2274-94 (40 hour)/ASTM D 5304-94 on the condition that a **QUALIFIED STABILIZER ADDITIVE** (per QPL 24682 dated May 4, 1992) is added to the fuel. After the 120 day grace period, the Contractor must demonstrate product conformance to the hydrogen content and storage stability test requirements stated above on each batch of F76 supplied.

(g) **REPORTS.** Laboratory reports shall be in the Standard Report Format given in Attachment ____, Standardized Format for Use in the Preparation of Product Test Reports. Each laboratory report will represent the total quantity of product shipped from that shipping tank (quantity should match what would be reflected on the DD Form 250 or DD Form 250-1), not the volume at the time of sampling. Insure that test methods or test codes as defined in the Standard Report Format are specified on the report. Mail one copy of the DD Form 250 or DD Form 250-1 with a copy of the test report in the Standard Report Format to--

DEFENSE ENERGY SUPPORT CENTER
ATTN: DESC-BPE(LR), ROOM 2954
8725 JOHN J. KINGMAN ROAD, SUITE 4950
FORT BELVOIR, VA 22060-6222

In addition, copies of the applicable DD Form 250 or DD Form 250-1 shall be submitted with a laboratory analysis report for each tank of product lifted. This documentation shall be submitted to the address identified in the MATERIAL INSPECTION AND RECEIVING REPORT clause and the address shown below:

CODE 03M3
COMMANDER
NAVY SEA SYSTEMS COMMAND
2531 JEFFERSON DAVIS HIGHWAY
ARLINGTON, VA 22242-5160

ATTN: CODE PSP
COMMANDING OFFICER
NAVY PETROLEUM OFFICE
8725 JOHN J. KINGMAN ROAD, SUITE 3719
FORT BELVOIR, VA 22060-6224

(h) **RED DYE.** (Does not apply to Atlantic/Europe/Mediterranean or Western Pacific Overseas Bulk purchase programs unless offering refinery is located in the United States or one of its possessions.) Red dye required in off-highway diesel fuel in accordance with 40 CFR Part 80 as modified by the Environmental Protection Agency's interim final rule published in the Federal Register dated July 14, 1994, shall not be added to F76 supplied. The finished product shall show no visual evidence of red dye. This product is for military, off-highway use only and must be segregated at all times from any diesel fuel used on-highway.

C16.64-3 TURBINE FUEL, AVIATION (JP8) (DESC DEC 1998)

Aviation Turbine Fuel shall conform to MIL-T-83133D, dated January 29, 1992, modified as follows:

(a) **DELIVERIES TO ALASKA.** For fuels destined for Alaska locations only, the total acid number specification limit is relaxed to 0.020 mg KOH/g maximum. Fuel destined for locations outside of Alaska must meet the original acid number specification limit cited in MIL-T-83133.

(b) **FREEZING POINT.** In addition to ASTM D 2386-88, ASTM D 5901-96 and ASTM D 5972-96 are permitted for JP8.

(c) **COLOR DETERMINATION.** ASTM D 6045-96 may be used as a substitute test method for ASTM D 156.

(d) **ADDITIVES.** Additives are required for deliveries of JP8 per MIL-T-83133, unless addition is excluded by specific solicitation line item, applicable contract clause, or other contractual requirements.

(1) Metal deactivator additive shall not be used in JP8 unless the supplier has obtained written consent from the Procuring Activity. If written approval has been granted, a metal deactivator, NN-disalicylidene-1,1-propanediamine, may be blended into the fuel in an amount not to exceed 5.7 mg active ingredient per liter of fuel.

(2) For JP8 containing hydrogen treated blendstocks, the following applies: Where a finished fuel consists of a blend of hydrogen treated and nonhydrogen treated components, the requirement for mandatory addition of antioxidant (MIL-T-83133, paragraph 3.3.1) applies only to the portion of the blend that has been hydrogen treated. In such cases, the proportion of the blend that has been hydrogen treated shall be reported.

(3) The CI/LI additive(s) used shall be of the type and concentration cited in QPL 25017-18 dated February 27, 1998.

(4) When required, Fuel System Icing Inhibitor (FSII) shall conform to MIL-I-85470A, dated August 8, 1990, at a concentration of 0.10 to 0.15 volume percent, unless otherwise stated in the Schedule.

(5) Static Dissipator Additive (SDA) is required to be added to all JP8 shipped directly to an end user without passing through a terminal. SDA is not permitted in shipments to/through a fuel terminal that supplies an end user unless authorized in the Schedule. When SDA is required by this contract, it shall be added proportionately to obtain a conductivity range of 150-450 picosiemens per meter. The new formulation of STADIS 450 (active ingredient dinonaphthylsulfonic acid (DINNSA)) shall be used when SDA is required.

(6) Line injection of additives (FSII, corrosion inhibitor, and SDA) from shipping tank to delivery conveyance or other f.o.b. point is permitted under the following conditions:

(i) **A laboratory hand blend containing the required additives and jet fuel must be tested to verify compliance with the required specification. (Micro-Separometer (MSEP) can be performed without SDA present.)**

(ii) Additives must be proportionately injected throughout the entire loading process to ensure the additive is homogeneously blended into the jet fuel. The Contractor shall maintain records evidencing the homogeneous blending of all line injected additives. Such methods may include meter or tank gauge readings or test results taken at intervals to provide confidence in the injection process.

(iii) When FSII is line injected, additive concentration (refer to MIL-T-83133 specification for test methods permitted) must be verified based on a representative shipment sample(s).

(e) **TESTING.**

(1) **PARTICULATE CONTAMINATION (PC) TESTING AND FILTRATION TIME (FT) TESTING.**

(i) Delete the JP8 particulate matter and filtration time requirements and replace as shown below:

<u>CHARACTERISTIC</u>	<u>REQUIREMENT</u>	<u>TEST METHOD</u>
Particulate matter, mg/L, maximum	1.0	ASTM D 5452-96
Filtration time, minutes, maximum	15	see below

(ii) **PC/FT TESTING.** A minimum sample size of one gallon shall be filtered. Use of two membrane filters (a test membrane filter and a control membrane filter) is not required. Use of a single filter is acceptable.

(iii) **PC TESTING.** The procedure in Appendix A to MIL-T-83133 as modified below, may also be used for the determination of particulate matter as an alternate to ASTM D 5452-96.

(iv) **FT TESTING.** Filtration time shall be determined in accordance with the procedures in Appendix A to MIL-T-83133, modified as shown below:

(A) Delete all references to ASTM D 2276 and replace with ASTM D 5452-96.

(B) Apparatus shall be as described in Figure 2 of ASTM D 5452-96.

(C) Preparation of apparatus and sample containers shall be performed as described in paragraph 8 of ASTM D 5452-96.

(D) Sampling shall be performed as described in paragraph 9 of ASTM D 5452-96.

(E) Round upwards when reporting the filtration time, in minutes. For example, a filtration time of 10 minutes, 18 seconds, would be reported as 11 minutes.

(2) **FUEL ELECTRICAL CONDUCTIVITY.** In those cases where SDA is line injected while loading delivery conveyances (e.g., trucks) and insufficient time is available for the fuel to reach equilibrium before departure of the conveyance, the Contractor is not required to report or verify the conductivity level. This does not relieve the Contractor of the requirement to inject SDA homogeneously and in sufficient quantity to obtain a conductivity level which the Contractor would anticipate to be between 150 and 450 picosiemens per meter once fuel is at equilibrium. The receiving activity will measure the conductivity and advise the Quality Representative to have the Contractor adjust the SDA injection quantity if necessary.

(3) **WATER SEPARATION INDEX MODIFIED (WSIM)/MSEP RATING LIMITS.**

(i) The requirements of Footnote 9 to Table I in the specification (MIL-T-83133) are deleted and replaced as shown below:

<u>ADDITIVE</u>	<u>MSEP LIMIT (MINIMUM)</u>
Antioxidant (AO)* and Metal Deactivator (MDA)*	85
AO*, MDA* and Fuel System Icing Inhibitor (FSII)	85

AO*, MDA* and Corrosion Inhibitor/LubricityImprover (CI/LI)

80

AO*, MDA*, FSII and CI/LI

70

*The presence or absence of these additives does not change these limits.

(ii) Prior to initial production under this contract, the Contractor shall elect, on a one-time basis, which MSEP limit will be met for the balance of the contract. If the Contractor introduces FSII and/or CI after verification of product conformance with the MSEP requirement, the product is not required to meet a fixed limit on subsequent MSEP tests.

(iii) If the Contractor elects to verify conformance with the MSEP requirement on a sample of product that does not contain FSII and CI, an additional MSEP test shall be performed on a hand blend containing jet fuel, FSII, CI, and AO (AO only if required). The MSEP result of this hand blend is a REPORT ONLY requirement, and shall be recorded on the DD Form 250-1 and on the Standardized Report Form (see Attachment _____) as item 750X. This result shall be—recorded with an asterisk next to it and a footnote below stating "MSEP result is a report only requirement." Original result of _____ on product containing the following additives applies:

(4) **THERMAL STABILITY.** The thermal stability test (JFTOT), ASTM D 3241-96A, shall be performed according to either Option A or B described below:

(i) **OPTION A.** In addition to the thermal stability testing requirements of MIL-T-83133, an additional JFTOT shall be performed with the temperature of the test being 275°C (530°F) in lieu of the normal 260°C (500°F).

(ii) **OPTION B.** The thermal stability test shall be performed with the temperature of the test being 275°C (530°F). If the fuel fails the JFTOT at this temperature, a second test will be performed at 260°C (500°F). If both tests are performed, the results of the test at 260°C (500°F) will be the basis for acceptance or rejection of the fuel.

(5) **EXISTENT GUM.** The existent gum test (ASTM D 381-94E1) may be performed using air as the vaporizing medium in lieu of steam.

(f) **REPORTS.**

(1) Copies of the applicable DD Form 250 or DD Form 250-1 shall be submitted with a laboratory analysis report in Standardized Test Report Format for each tank of product lifted. This documentation shall be submitted to the address identified in the MATERIAL INSPECTION AND RECEIVING REPORT clause and the address shown below:

COMMANDER
SAN ANTONIO AIR LOGISTICS COMMAND
ATTN: SFTH
1014 BILLY MITCHELL BLVD, SUITE 1
KELLY AFB, TX 78241-5603

(2) Regardless of which option is chosen (Option A or B above), the test temperature and the results of the JFTOT shall be recorded on the DD Form 250-1 and on the Standardized Test Report Form. If using the Standardized Test Report Form, the results obtained at 260°C shall be reported using series "B" for item numbers 601, 602, and 603. The results obtained at 275°C shall be reported using series "C" for item numbers 601, 602, and 603. A separate report form is not required for the 275°C test result.

(3) The DD Form 250-1 for marine shipments shall cite the type, name and amount of additives added to the fuel.

(DESC 52.246-9FNW)

SECTION E

THE FOLLOWING CLAUSE APPLIES TO--

1. ALL LUBRICATING OIL DELIVERIES.
2. ALL AVIATION FUEL DELIVERIES.
3. ALL BULK DELIVERIES; EXCEPT FOR PC&S BULK DELIVERIES WHERE THIS CLAUSE APPLIES ONLY TO DELIVERIES BY BARGE, VESSEL, OR PIPELINE .

E1 CONTRACTOR INSPECTION RESPONSIBILITIES (DESC DEC 1998) (REV)

(a) QUALITY CONTROL PLAN.

(1) The Contractor is required (unless otherwise instructed by the Government) to provide and maintain an inspection system and a written description (Quality Control Plan (QCP)) acceptable to the Government. The Contractor has the option to provide and maintain an inspection system that, as a minimum, incorporates the requirements of: Q91 (ISO9001) Quality Systems - Model for Quality Assurance in Design/Development, Production Installation, and Servicing, or Q92 (ISO9002) Quality Systems - Model for Quality Assurance in Production and Installation. If the contractor chooses to comply with Q91 or Q92 quality system format, all the specific Quality Assurance Provisions of this contract must be included in the Q91, Q92 written quality plan. The QCP shall be established and reviewed for adequacy by the Quality Representative (QR) prior to commencement of production or services. The copy of the QCP provided to the QR shall be in English. An acceptable QCP is required prior to Government inspection and acceptance of supplies or services. The QCP shall be reviewed and updated when deemed necessary. It will be updated anytime that changes are made to the inspection system or as identified by quality problems. The Contractor must sign and date each revision to the QCP and require subcontractors to sign and date each revision to the subcontractor's QCP.

(2) The Contractor shall require subcontractors (unless otherwise instructed by the Government) to provide and maintain inspection systems and QCPs that are acceptable to the Government.

(3) The QCP shall include an identification of key operational positions, a schematic diagram of plant facilities pertinent to the inspection system indicating all inspection points, and a description covering the following operations relating to the supplies to be furnished under the contract:

(i) **RECEIVING.** Procedures used to assure quality of additives blended into product supplied under this contract;

(ii) **BLENDING AND COMPOUNDING.** Identification of component base stocks used to produce finished product. Procedures to be used for adding, prior to batching, all required additives at all locations. When procedures for in-line blending of non-aviation products in accordance with the IN-LINE BLENDING OF NON-AVIATION PETROLEUM PRODUCTS clause are used, the QCP will provide for establishing blend ratios, and identify the responsible personnel within the Contractor's organization authorized to establish the blend ratios. When procedures for line injection of additives for products in accordance with a clause which contains **LINE INJECTION OF ADDITIVES** are used, the QCP will provide procedures for proportionately injecting additive throughout the entire loading process to ensure the additive is homogeneously blended into the jet fuel, procedures for maintaining records evidencing the homogeneous blending of all line injected additives, and prior to shipment a procedure for a laboratory hand blend of jet fuel with all additives required by this contract shall be tested to verify compliance with the required specification.;

(iii) **SAMPLING.** Procedures for sampling additives, blend tanks, shipping tanks, lines, and conveyances/containers in accordance with API Manual of Petroleum Measurement Standards (MPMS), Chapter 8, Section 1, (ASTM D4057) Sampling of Petroleum and Petroleum Products, and/or Section 2 (ASTM D4177), Automatic Sampling of Petroleum and Petroleum Products. Procedures include location of sample taken, frequency, quantity, minimum tests required on sample, and sample retention procedures. **NOTE: For f.o.b. origin tanker, barge, and pipeline shipments**, a flow-proportional sample taken in accordance with MPMS Chapter 8.2, Automatic Sampling is required at the custody transfer point. **For other than f.o.b. origin shipments**, Automatic In-Line Sampling is preferred at the custody transfer point, but representative samples taken in accordance with MPMS Chapter 8, Section 1, are acceptable. See Table I, Minimum Sampling and Testing Requirements, and Table II, Sample Retention, below

(iv) **TESTING.** Types of tests and test methods/procedures to be performed on samples taken from each location identified in (iii) above, and may be incorporated by test method reference in the QCP, if complete reference is available at the place of performance. See Table III, "Definition of Test Series." below

(v) **CALIBRATION.** Program for testing and measuring equipment in accordance with ISO 10012-1, "Quality Assurance Requirements for Measuring Equipment, Part 1, or equivalent local regulation as appropriate; and, a program for meters used to determine quantity complying with the American Petroleum Institute Manual of Petroleum

Measurement Standards, Chapters 4, 5, and 6, or equivalent foreign standard. For items not covered by ASTM, API or IP publications, the applicable manufacturer's recommended calibration method, or methods outlined in the applicable industry publication, shall be used if acceptable to the Government;

(vi) **STORAGE AND HANDLING.** Procedures for quality determination and maintenance of physical equipment necessary to ensure product integrity. Includes a description of storage and handling equipment including tanks, lines, valves, and manifolds used; identification of dedicated/common product system including description of line segregation and controls to assure capability for proper gauging, sampling, draining of water, filtration, circulation, drying; and identification of any other process/system used in maintaining product integrity during storage and handling;

(vii) **LOADING AND SHIPPING, GENERAL.** Procedures for product movement and related quality/quantity checks from shipping tank(s) to custody transfer point in order to maintain product integrity. Provide description of transfer system from shipping tank to transfer point in order to maintain product integrity. System must be a dedicated or properly isolated common system incorporating blind flanges, spectacle plates, or double valves between them to prevent contamination. Single valves designed to provide the same protection are also acceptable if positive isolation is assured. Systems with single valve (excluding twin seal single valves) isolation require specific procedures be included in the QCP to assure product integrity after the last single valve and prior to the acceptance point. When single valves are present in the system, the contractor shall provide their quality control procedures from the first single valve to the custody transfer point at time of bid to the contracting officer for determination of acceptability. Procedures for conditioning and testing of improperly isolated systems to the custody transfer point (including loading arm and hoses used). For in-line blending of non-aviation products, where approved in this contract, requirements must comply with the IN-LINE BLENDING OF NON-AVIATION PETROLEUM PRODUCTS clause;

(viii) **LOADING AND SHIPPING - TANK CARS, TANK TRUCKS, AND INTERMODAL CONTAINERS.** Inspect conveyances prior to loading to determine quality/quantity suitability to load as follows. All compartments have been prepared in accordance with Table IV, Conversion Chart for Tank Cars, Tank Trucks, and Intermodal Containers, below. Preparation requirements include hoses. Conveyances carrying lubricating oil will be dry and free from loose rust, scale, and dirt. Conveyances carrying other products will be dry and substantially free from loose rust, scale and dirt. (Procedures to confirm, prior to loading, quality and quantity of product in conveyance when requested by the ordering office to "load on top." Reject conveyance if product cannot be identified or product on board does not meet specification of intended load product. Provide for documentation of load on top occurrences for volume of product prior to load, loaded quantity, and total volume on board the conveyance. Confirm quality and quantity of loaded conveyance.) Provide for investigating discrepancies in either recorded quality or quantity. When required by the contract seal conveyance and record seal numbers on the DD Form 250. Strainers and filters shall be located as near the loading or filling point as practicable and shall be used as outlined below for all deliveries except deliveries into tanker, barge, or pipeline.

(A) All aviation fuel shall be passed through strainers of 100 mesh or finer screen:

(B) All lubricating oil products, including preservatives, having a kinematic viscosity at 100°F of 20.0 centistokes or less shall be passed through a 100 mesh or finer screen;

(C) All lubricating oil products, including preservatives, having a kinematic viscosity greater than 20.0 centistokes at 100°F, but less than 22.0 centistokes at 210°F, shall be passed through a 60 mesh or finer screen; and

(D) The Contractor shall furnish and periodically inspect strainers and filters pursuant to this paragraph to determine condition and perform maintenance as necessary, keeping a written record thereof.

(ix) **LOADING AND SHIPPING - TANKERS AND BARGES.**

(A) **For f.o.b. destination Contractor-supplied tankers/barges.** State procedures to be used to ensure vessels are suitable to load the intended product.

(B) **For f.o.b. origin Government supplied tanker/barges.** Procedures for maintaining time log of all significant events/delays including vessel notice of readiness, vessel arrival, docking, vessel deballasting, and conditioning of cargo tanks, inspections, hoses connected, starts, stops, release, or any other event that affects laytime of the vessel. Procedures for assuring condition of loading line (full of tested product, all air bled and pressure packed) and gauging shore tanks, both before and after loading. Procedures for pre-load discussion between Contractor, vessel, and QR to include, but not be limited to, prior three cargoes, cleaning procedures, loading plan, loading rates, sampling requirements, and after loading sampling and gauging. (Prior to loading - sample, gauge and test intransit cargoes designated for load on top. Sample (1 gallon), gauge, and retain any other product on board, except for JP-7 or JP-TS.) All cargo quantities will be calculated and volume corrected both before and after loading. Procedures for commencement of loading into one tank (up to 3 feet). Then switching to at most two other vessel tanks during sampling and testing (Table I). Procedures for the transportation of samples from vessel to the testing facility. Monitoring the loading from source to vessel, investigating irregularities immediately, stopping loading if

necessary. Procedures for investigating discrepancies in quality (mandated if off-specification or out of testing tolerance) and quantity (mandated if ship to shore variance is greater than ± 0.5 percent or figures suspect) on loaded conveyance.

(C) **For both f.o.b. origin and destination supplied tankers/barges.** Procedures for immediately notifying the QR when irregularities occur or are suspected and on all occasions when loading is interrupted. Procedures for completing and distributing required documentation prior to release of the vessel. Documentation includes DD Form 250-1 and DD Form 250-1 continuation sheet, ullage reports, bills of lading, customs documentation, and results of quality/quantity investigations. **Authority to release a Government furnished vessel rests with the Government QR after compliance and completion by the Contractor of all required operations, including the preparation of the DD Forms 250-1.**

(x) **RECORDS AND REPORTS.** To include at a minimum, test reports on product and additives, additive blending and/or injection records, vessel port logs, vessel notice of readiness, calibration documents, and the DD Forms 250 and 250-1 and continuation sheet(s). These records and reports will include by whom, where, and how prepared, and retention information. The DD Form 250-1 and DD Form 250-1 continuation sheet(s) will be signed by the Contractor in the appropriate block before presenting to the QR. The DD Form 250 and DD Form 250-1 shall identify type, brand name and amount of additive(s).

(xi) **CORRECTIVE ACTION.** Actions to be followed to effect correction of any deficiency affecting product quality or quantity determination, such as handling of off-specification product (waivers, conveyance rejections, etc.). The corrective action procedures shall include notification of the QR.

(4) The QCP shall identify one individual to serve as a point of contact for quality/quantity matters relating to the inspection system described in the plan.

(5) The Contractor is responsible for all inspection systems, QCPs, and product quality and quantity.

(6) The Government QR will be available to review and discuss the Contractor's proposed QCP; however, the Contractor shall remain responsible for developing and describing acceptable quality control procedures.

(b) The Contractor shall perform all inspection and acceptance tests required by the specifications of the supplies to be furnished under this contract or shall have such tests performed in a laboratory acceptable to the Government. When such tests are performed at origin on supplies to be accepted at destination, documentation that will enable verification of the original test results shall be provided to the Government at the time of acceptance.

(c) The Contractor may inspect Government-furnished tankers and barges prior to loading unless specifically prohibited by the Government QR. All other shipping conveyances, exclusive of tankers or barges, shall be inspected by the Contractor prior to loading to determine suitability for loading. If the Contractor and the QR disagree as to the suitability for loading of Government furnished conveyance for supplies to be accepted at origin the determination of the QR shall govern. Government-furnished transportation equipment that is unsatisfactory for loading shall be reported by the Contractor in accordance with the provisions of the SHIPMENT AND ROUTING clause. Procedures to determine suitability to load tank trucks and tank cars shall include but not be limited to visual inspection of interior compartments to assure cleanliness and dryness. Manifolds must be drained and be clean and dry for intended product.

(d) When requested by the U.S. Government, the Contractor shall furnish no more than five (ten in the case of jet fuel) 1-gallon samples of liquid product or five 1-pound samples of solid or semi-solid product from any individual batch or lot of the supplies to be furnished under this contract. Such samples shall be furnished without charge to the Government and shall be packed, marked, and shipped by the Contractor, at their expense.

(e) The Contractor shall keep all quality and quantity records, including DD Form 250-series documents, complete and available to the Government during the performance of this contract and for three years after final payment under this contract.

(f) Immediately following award of this contract, the Contractor shall notify the QR of the source or sources of the supplies to be furnished under any item calling for delivery f.o.b. destination. The Contractor shall also notify the QR of any changes in source in sufficient time to permit inspection by the Government.

(g) The inspection system and related operations provided or performed pursuant to this clause shall be subject to surveillance by the QR.

TABLE I**MINIMUM SAMPLING AND TESTING REQUIREMENTS⁽¹⁾**

LOCATION	WHEN SAMPLED	TYPE OF SAMPLE	TYPE OF TEST
1. Refinery/Terminal Shipping Tank	Each Batch Prior to Commencement of Shipping	All Level or Single Tank Composite	A (2)
2. Shipping Line (All Modes): Dedicated Line Common Line	Prior to Loading/Shipping	Line	C B
3. Custody Transfer Point	Immediately After Start of Shipment	Line	C
4. Tanker/Barge/Pipeline Custody Transfer Point	During Loading/Shipment	Representative Sample See Note, para. E1.a.(iii)	Retain Only
5. Tanker/Barge/Pipeline Custody Transfer Point	Hourly	Line	Visual (3) plus additive analysis for FSII & SDA, if line injected
6. Tanker/Barge First-In	After maximum of 3 feet loaded	Spot	C - plus Particulate and additive analysis for FSII & SDA, if line injected
7. Tanker/Barge	After Loading	Each Compartment	Workmanship, Density
8. Tanker/Barge	After Loading	Multi-Tank Composite of Each Product Loaded	B
9. Tank Car/Truck Loading Rack	After change of source tank.	Line	C – plus additive analysis for FSII & SDA, if line injected
10. Tank Cars/Truck/ Intermodal Containers	After Filling	All-Level	Workmanship: (When Loading Lubes & FSII: C)

NOTES FOR TABLE I:

- (1) AT THE GOVERNMENT'S OPTION, FULL SPECIFICATION TESTING MAY BE REQUIRED AT THE CUSTODY TRANSFER POINT. IT IS THE CONTRACTOR'S RESPONSIBILITY TO FURNISH THE GOVERNMENT WITH SATISFACTORY EVIDENCE OF SPECIFICATION COMPLIANCE.
- (2) AFTER A TYPE C TEST ON AN UPPER, MIDDLE, AND LOWER SAMPLE VERIFIES BATCH CONFORMANCE TO HOMOGENEITY REQUIREMENT. HOMOGENEITY REQUIREMENT IS DEFINED AS WHEN THE UPPER, MIDDLE, AND LOWER SAMPLE TEST RESULTS (MINIMUM – DENSITY/API GRAVITY) FALL WITHIN THE REPRODUCIBILITY LIMIT ESTABLISHED BY THE TEST METHOD.
- (3) CONTINUOUS IN-LINE ANALYZERS (i.e. DENSITY AND/OR FLASH POINT) ARE ACCEPTABLE, IN LIEU OF HOURLY EVALUATIONS, IF QUALITY IS ASSURED. WHEN CONTINUOUS IN-LINE ANALYZERS ARE PRESENT IN THE SYSTEM, THE CONTRACTOR SHALL PROVIDE THEIR QUALITY CONTROL PROCEDURES AT TIME OF BID TO THE CONTRACTING OFFICER FOR DETERMINATION OF ACCEPTABILITY.

TABLE II**SAMPLE RETENTION**

TYPE OF SAMPLE	MINIMUM QUANTITY	RETENTION PERIOD
Bulk Additives	2 Liters	Until Receipt and Quality Verification of New Lot/Batch
Drummed Additives	1 Liter	When Stocks Exhausted
Shipping Tank(s)	20 Liters - for Aviation Fuels and Lubricating Oils 10 Liters - for all other Fuels	45 Days
Composite Line (Tanker/Barge)	20 Liters - for Aviation Fuels and Lubricating Oils 10 Liters - for all other Fuels	45 Days
Composite Line (Pipeline)	20 Liters - for Aviation Fuels and Lubricating Oils 10 Liters - for all other Fuels	45 Days
Tank Truck/Car, Intermodal Container	1 Liter	15 Days (Lubes – 45 Days)
Tanker/Barge Composite	20 Liters - for Aviation Fuels and Lubricating Oils 10 Liters - for all other Fuels	45 Days
Tanker/Barge Each Compartment	0.5 Liter	45 Days

TABLE III**DEFINITIONS OF TEST SERIES**

I. TYPE A: Includes all specification quality conformance tests plus any additional contractual requirements.

II. TYPE B & C: As shown in the table below for each product. Properties and test methods will be in accordance with the product specification for each grade identified in the contract/solicitation.

	AVGAS		TURBINE FUELS		MOGAS		DIESELS/ KEROSENE		BURNER FUELS		LUBES		FSII
TEST PROPERTIES	B	C	B	C	B	C	B	C	B	C	B	C	C
Appearance	*	*	*	*	*	*	*	*			*	*	*
Particulate content	*		*								*		
Filtration Time			*										
Color	*	*	*	*	*	*	*	*			*	*	
Density or API Gravity or Specific Gravity	*	*	*	*	*	*	*	*	*	*	*	*	*
Distillation	*		*		*		*						
Corrosion, Copper Strip	*		*		*								
Existent Gum	*		*		*								
Carbon Residue							*		*				
Lean or Rich Ratings	*												
Reid Vapor Pressure	*		*		*								
Water Reaction			*										
Lead Content	*												
Freeze Point			*										
Flash Point			*	*			*	*	*	*	*	*	
FSII Content			*										
Microseparometer			*										
Conductivity			*										
Sediment & Water									*	*			
Viscosity									*		*	*	
Water Content									*		*	*	*
Foam Test											*	*(1)	

* THE PROCEDURE TO BE USED FOR CONDUCTING THESE TESTS WILL BE AS STATED IN THE APPROPRIATE PRODUCT SPECIFICATION AND/OR CONTRACT.

(1) Only ASTM D-892 sequences 1 & 2 will be performed.

TABLE IV**CONVERSION CHART FOR TANK CARS, TANK TRUCKS, AND INTERMODAL CONTAINERS (1)**

LAST PRODUCT CARRIED (2)	PRODUCT TO BE LOADED				
	JET FUEL JP-4 JET B MOGAS AVGAS	JET FUEL JP-5 JP-8 JET A/A1 DF-A, DL-A DFW KSN, KS1	DIESEL FUEL F76 (B) DF-1, 2 DL-1, 2	LUBRICATING OILS	FSII
AVGAS MOGAS JP-4 JET B	DRAIN EMPTY	STEAM DRY	STEAM DRY	STEAM DRY	STEAM DRY
JP-8, JP-5 JET A/A1 DF-A, DL-A DFW, KSN, KS1	DRAIN EMPTY (B)	DRAIN EMPTY (B)	DRAIN EMPTY (C)	STEAM DRY (B)	STEAM DRY (B)
F-76 DF-1, -2 DL-1, -2 ASTM-D975 NO 1D, 2D ASTM-D396 No.-1, 2	STEAM DRY (B)	DRAIN EMPTY (B)	DRAIN EMPTY (C)	STEAM DRY (B)	STEAM DRY (B)
ASTM-D396 NO.4L,4, 5L, 5H, 6 IFO's ASTM D975 No. 4D	NO LOAD	NO LOAD	NO LOAD	NO LOAD	NO LOAD
LUBRICATING OILS	NO LOAD	NO LOAD	STEAM DRY	DRAIN EMPTY (A)	NO LOAD
JET FUEL JPTS, JP-7	DRAIN EMPTY	DRAIN EMPTY	DRAIN EMPTY	STEAM DRY	STEAM DRY
FSII	DRAIN EMPTY	DRAIN EMPTY	DRAIN EMPTY	STEAM DRY	DRAIN EMPTY

NOTES FOR TABLE IV:

- (1) When required drain and empty includes the pump(s), filter(s), meter(s), and hose(s) as applicable.
- (2) If a product is not listed in this column permission to load and conveyance preparations require a waiver.
- (A) Applicable only when loading the same specification lubricating oils; otherwise steam and dry.
- (B) If previous cargo contained dye marker, all traces of color must be removed.
- (C) If product to be loaded does not contain dye the vehicle must not contain any traces of dye prior to loading.

E5 INSPECTION OF SUPPLIES - FIXED-PRICE (AUG 1996)

(a) **DEFINITION. Supplies**, as used in this clause, includes but is not limited to raw materials, components, intermediate assemblies, end products, and lots of supplies.

(b) The Contractor shall provide and maintain an inspection system acceptable to the Government covering supplies under this contract and shall tender to the Government, for acceptance, only supplies that have been inspected in accordance with the inspection system and have been found by the Contractor to be in conformity with contract requirements. As part of the system, the Contractor shall prepare records evidencing all inspections made under the system and the outcome. These records shall be kept complete and made available to the Government during contract performance and for as long afterwards as the contract requires. The Government may perform reviews and evaluations as reasonably necessary to ascertain compliance with this paragraph. These reviews and evaluations shall be conducted in a manner that will not unduly delay the contract work. The right of review, whether exercised or not, does not relieve the Contractor of the obligations under the contract.

(c) The Government has the right to inspect and test all supplies called for by the contract, to the extent practicable, at all places and times, including the period of manufacture, and in any event before acceptance. The Government shall perform inspections and tests in a manner that will not unduly delay the work. The Government assumes no contractual obligation to perform any inspection and test for the benefit of the Contractor unless specifically set forth elsewhere in this contract.

(d) If the Government performs inspection or test on the premises of the Contractor or a subcontractor, the Contractor shall furnish, and shall require subcontractors to furnish, at no increase in contract price, all reasonable facilities and assistance for the safe and convenient performance of these duties. Except as otherwise provided in the contract, the Government shall bear the expense of Government inspections or tests made at other than the Contractor's or subcontractor's premises; PROVIDED, that in case of rejection, the Government shall not be liable for any reduction in the value of inspection or test samples.

(e) (1) When supplies are not ready at the time specified by the Contractor for inspection or test, the Contracting Officer may charge to the Contractor the additional cost of inspection or test.

(2) The Contracting Officer may also charge the Contractor for any additional cost of inspection or test when prior rejection makes reinspection or retest necessary.

(f) The Government has the right either to reject or to require correction of nonconforming supplies. Supplies are nonconforming when they are defective in material or workmanship or are otherwise not in conformity with contract requirements. The Government may reject nonconforming supplies with or without disposition instructions.

(g) The Contractor shall remove supplies rejected or required to be corrected. However, the Contracting Officer may require or permit correction in place, promptly after notice, by and at the expense of the Contractor. The Contractor shall not tender for acceptance corrected or rejected supplies without disclosing the former rejection or requirement for correction, and, when required, shall disclose the corrective action taken.

(h) If the Contractor fails to promptly remove, replace, or correct rejected supplies that are required to be removed or to be replaced or corrected, the Government may either (1) by contract or otherwise, remove, replace, or correct the supplies and charge the cost to the Contractor or (2) terminate the contract for default. Unless the Contractor corrects or replaces the supplies within the delivery schedule, the Contracting Officer may require their delivery and make an equitable price reduction. Failure to agree to a price reduction shall be a dispute.

(i) (1) If this contract provides for the performance of Government quality assurance at source, and if requested by the Government, the Contractor shall furnish advance notification of the time (i) when Contractor inspection or tests will be performed in accordance with the terms and conditions of the contract and (ii) when the supplies will be ready for Government inspection.

(2) The Government's request shall specify the period and method of the advance notification and the Government representative to whom it shall be furnished. Requests shall not require more than 2 workdays of advance notification if the Government representative is in residence in the Contractor's plant, nor more than 7 workdays in other instances.

(j) The Government shall accept or reject supplies as promptly as practicable after delivery, unless otherwise provided in the contract. Government failure to inspect and accept or reject the supplies shall not relieve the Contractor from responsibility, nor impose liability on the Government, for nonconforming supplies.

(k) Inspections and tests by the Government do not relieve the Contractor of responsibility for defects or other failures to meet contract requirements discovered before acceptance. Acceptance shall be conclusive, except for latent defects, fraud, gross mistakes amounting to fraud, or as otherwise provided in the contract.

(l) If acceptance is not conclusive for any of the reasons in paragraph (k) hereof, the Government, in addition to any other rights and remedies provided by law, or under other provisions of this contract, shall have the right to require the

Contractor (1) at no increase in contract price, to correct or replace the defective or nonconforming supplies at the original point of delivery or at the Contractor's plant at the Contracting Officer's election, and in accordance with a reasonable delivery schedule as may be agreed upon between the Contractor and the Contracting Officer; PROVIDED, that the Contracting Officer may require a reduction in contract price if the Contractor fails to meet such delivery schedule, or (2) within a reasonable time after receipt by the Contractor of notice of defects or nonconformance, to repay such portion of the contract as is equitable under the circumstances if the Contracting Officer elects not to require correction or replacement. When supplies are returned to the Contractor, the Contractor shall bear the transportation cost from the original point of delivery to the Contractor's plant and return to the original point when that point is not the Contractor's plant. If the Contractor fails to perform or act as required in (1) or (2) above and does not cure such failure within a period of 10 days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure, the Government shall have the right by contract or otherwise to replace or correct such supplies and charge to the Contractor the cost occasioned the Government thereby.

(FAR 52.246-2)

E12 POINT OF ACCEPTANCE (DESC MAY 1969)

On f.o.b. origin deliveries, acceptance of the supplies furnished hereunder will take place at origin, notwithstanding that inspection by the Government may take place elsewhere prior to acceptance. On f.o.b. destination deliveries, acceptance of the supplies furnished hereunder will take place at destination, notwithstanding that inspection by the Government may take place elsewhere prior to acceptance.

(DESC 52.246-9FQ1)

E14.02 INSPECTION AND ACCEPTANCE (BULK/SPR) (DESC MAR 1996)

On f.o.b. origin deliveries, acceptance of the supplies furnished hereunder will take place at origin, notwithstanding that inspection by the Government may take place elsewhere prior to acceptance. On f.o.b. destination deliveries, acceptance of the supplies furnished hereunder will take place at destination, notwithstanding that inspection by the Government may take place elsewhere prior to acceptance. Acceptance occurs when the authorized Government Representative signs the Material Inspection and Receiving Report (DD Form 250 series). The office responsible for inspection, on behalf of the Government, shall be as follows:

<u>ITEM(S)</u>	<u>SOURCE OF PRODUCT AND/OR SHIPPING POINT</u>	<u>INSPECTOR(S)</u>
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(DESC 52.246-9FH5)

E35.02 REQUESTS FOR WAIVERS AND DEVIATIONS (DESC JUN 1997)

(a) The following procedures apply to requests for specification waivers.

(1) Requests for waivers and deviations shall be submitted by the Contractor to the Contracting Officer with a copy to the Quality Representative (QR). Each request shall provide the following information Contractor name; contract number; contract line item and product, if applicable; clause number, paragraph and subparagraph, as appropriate; the nature of the request; the reason for the request; the corrective action being taken by the Contractor to correct and prevent recurrence of the condition(s) causing the nonconformance; and equitable price adjustment offered over the administrative fee. In extraordinary situations, the Contractor may initially submit the request for a deviation or waiver through the cognizant QR to the Contracting Officer or the Contracting Officer's Representative (COR) in the Bulk Fuels Business Unit, Product Technical and Standardization Division, Defense Fuel Supply Center (DESC). Extraordinary situation requests shall be submitted formally to the Contracting Officer prior to close of business of the next DESC normal workday. As used in this clause, the term "extraordinary situation" means the matter cannot await resolution until the DESC normal workday (0800 to 1630 hours), Monday through Friday - Federal holidays excluded. In addition, if either the Contracting Officer or the COR cannot be reached, the Duty Officer shall be contacted and provided the necessary information to forward to the proper individuals as soon as possible. The Duty Officer's telephone number is (800) 286-7633, (703) 767-8420, or (DSN) 427-8420.

(2) If the waiver is granted, the contract will be modified to provide an equitable price reduction or other adequate consideration commensurate with the waiver being granted. If the situation dictates a waiver may be granted without prior agreement on price adjustment or other consideration subject to agreement by the Contractor, or its representative, to subsequent negotiation. Such agreement shall be documented on the receiving document or other appropriate correspondence. After negotiations, failure to agree on adequate consideration shall be a dispute concerning a question of fact within the meaning of paragraph (d), Disputes, of the CONTRACT TERMS AND CONDITIONS -- COMMERCIAL ITEMS clause of this contract.

(3) If the waiver is granted and the nonconforming supplies are accepted, then in no event will consideration be less than \$250 to cover administrative costs, plus any additional cost of Government inspection or tests if reinspection or retest is necessary.

(4) If the waiver is granted modifying this contract but the supplies accepted are nevertheless determined to be in conformity with contract specifications, the Contractor shall still be obligated to pay the consideration originally agreed upon in support of the waiver. If, however, this consideration exceeds \$500, a second contract modification shall be issued reducing the Contractor's obligation to \$500 (the administrative cost of issuing the two required modifications).

(b) When notification of nonconforming supplies is received after the supplies have been accepted, and the Government determines not to exercise its right to reject or to require correction under the INSPECTION OF SUPPLIES clause, then in no event will consideration be less than \$250 to cover administrative costs. This \$250 fee is in addition to--

(1) Consideration commensurate with the extent of nonconforming supplies; and

(2) Cost of Government inspection or tests if reinspection or retest is necessary.

The administrative fee will apply to each claim letter issued for off-specification product delivered to an activity.

E40.05 MATERIAL INSPECTION AND RECEIVING REPORT (DESC JAN 1998)

(a) One copy of the documents and reports listed below shall be mailed to--

ATTN DESC-BPE(LR) ROOM 2954
DEFENSE ENERGY SUPPORT CENTER
8725 JOHN J KINGMAN ROAD SUITE 4950
FORT BELVOIR VA 22060-6222

(b) Laboratory reports shall be in the Standard Report Format given in Attachment ____ for the Standardized Format for Use in Preparation of Product Test Reports. A laboratory report will represent the total quantity of product shipped from that batch in the shipping tank. Include, where applicable, information on any intermediate shipping or holding tanks with batch number designations used to define the product movement. Use the guidelines below to determine when to submit the laboratory reports.

(1) **MARINE SHIPMENTS.** Submit a completed DD Form 250-1 for all products shipped. If more than one shipping tank was used for the lift, include a complete analysis of each shipment tank and clearly indicate the quantity of product drawn from each tank. Laboratory results can either be on the DD Form 250-1 or included as separate attachments. Insure test methods or test codes as defined in the Attachment are specified on the test report.

(2) **PIPELINE SHIPMENTS.** Submit a completed DD Form 250, copy of order (DD Form 1155), and complete laboratory results for total quantity of product shipped from each shipping tank used to fill the order. Insure test methods or test codes as defined in the Attachment are specified on the test report.

(3) **TRUCK AND RAIL CAR SHIPMENTS.** When loading from source tank has finished, submit one copy of the complete laboratory analysis for the source tank and attach all DD Forms 250 for product received from that source tank. Quantity on laboratory report should represent total volume delivered to the U.S. Government from that source tank and not the tank capacity. Insure test methods or test codes as defined in the Attachment are specified on the test report.

(DESC 52.246-9FG1)

SECTION F

F1 DELIVERY CONDITIONS FOR TANK CARS, BOXCARS, TRUCKS, TRANSPORT TRUCKS, TRUCKS

AND TRAILERS, TANK WAGONS, PIPELINE, AND LIGHTERS (DESC NOV 1996)

(a) On items calling for delivery at Contractor's refinery, terminal, or bulk plant f.o.b. tank car, boxcar, truck, transport truck, truck and trailer, tank wagon, pipeline, or lighter--

(1) Supplies ordered hereunder shall be delivered, at Contractor's expense, into equipment specified in the Schedule.

(2) Unless otherwise specified in the Schedule, all deliveries shall be made upon the day specified in the order provided that the Contractor shall have received the order at least 48 hours prior to the day so specified, except for deliveries--

(i) By pipeline (other than into vessel, dredge, or barge for use as ships' bunkers) for which the Contractor shall be given 15 days' notice prior to the date so specified; and

(ii) Into vessel, dredge, or barge by any means of delivery including pipeline for use as ships' bunkers, for which deliveries the Contractor shall be given 24 hours' notice prior to the specific time delivery is to be made.

(3) All packaged or drummed material to be delivered f.o.b. boxcar, truck, or lighter shall be loaded (braced and blocked where necessary) by the Contractor as follows:

(i) **RAIL SHIPMENTS IN CONTINENTAL UNITED STATES AND ALASKA.**

(A) In accordance with the **LOADING, BLOCKING, AND BRACING OF FREIGHT CAR SHIPMENTS** clause.

(B) To the extent there is no conflict between the standards mentioned in paragraph (a) of the **LOADING, BLOCKING, AND BRACING OF FREIGHT CAR SHIPMENTS** clause, when a freight advantage to the Government would result, the Contractor will load boxcars to maximum capacity, including multiple tiering.

(ii) **TRUCK SHIPMENTS IN THE UNITED STATES.** In accordance with ICC Regulations and best commercial practices.

(iii) **RAIL SHIPMENTS AND TRUCK SHIPMENTS - OVERSEAS, POSSESSIONS AND TERRITORIES.** In accordance with best commercial practices and local regulations, or as indicated in the Schedule.

(iv) **LIGHTER.** In accordance with best commercial practices.

(4) Except for supplies delivered f.o.b. boxcar, truck, or lighter, title to the supplies delivered, and risk of loss thereof, shall pass from the Contractor to the Government when the supplies pass into the receiving conveyance. Title to supplies delivered f.o.b. boxcar, truck, or lighter, and risk of loss thereof, shall pass from the Contractor to the Government at the time the car, truck, or lighter is released to, and accepted by, the carrier.

(b) On items calling for delivery f.o.b. destination by means of tank car, boxcar, truck, transport truck, truck and trailer, tank wagon, pipeline, or lighter--

(1) Supplies ordered hereunder shall be delivered, all transportation charges paid, to the destination and by means of the transportation equipment specified in the Schedule or, if no specific destination is indicated in the Schedule, to the destination specified in the order. (For activities listed in DESC Handbook 4525.1 as last revised, the shipping addresses stated herein shall apply.) Delivery shall be accomplished at Contractor's expense into Government storage or into the type of receiving equipment otherwise specified in the Schedule or in the order, except for--

(i) Delivery by tank car which shall be accomplished by spotting the car alongside the unloading manifold connection at the specified destination;

(ii) Delivery by boxcar which shall be accomplished at the specified destination as follows:

(A) If such activity has a railroad siding, by spotting the car alongside the unloading platform or elsewhere at such destination as may be designated by the receiving activity;

or

(B) If such activity does not have a railroad siding at the unloading platform of the railroad siding serving such activity, and if the freight tariff provides for free pickup and delivery service, delivery shall be made to the activity specified in the order;

(iii) Delivery by truck which shall be accomplished by spotting the truck at the unloading platform at the specified destination and by placing the drummed or packaged supplies at the tailgate of the truck; and

(iv) Delivery by lighter which shall be accomplished as indicated in the Schedule.

(2) Unless otherwise specified in the Schedule, all deliveries by tank car or boxcar shall be made within 24 hours from the time specified in the order, provided that such order shall have been received by the Contractor at least 120 hours prior to the time so specified; all other deliveries, except as hereinafter indicated, shall be made on the day specified in the delivery order and unless otherwise authorized by the receiving activity during normal working hours of such activity,

provided that such order shall have been received by the Contractor at least 48 hours prior to the days so specified. Pipeline deliveries (except those into vessel, dredge, or barge) shall be made on the day specified in the delivery order, provided the order shall have been received by the Contractor at least 15 days prior to the day so specified. Delivery into vessels, dredges, or barges from a marine service station or by means of transport truck, truck and trailer, tank wagon, or pipeline shall be made at the specific time specified in the order, provided that such order shall have been received by the Contractor at least 24 hours prior to the specific time such delivery is required to be made.

(3) The Contractor shall not be required to deliver by transport truck or truck and trailer a quantity less than a full load nor into more than one storage tank, with the following exceptions:

(i) An order placed under an item of this contract calling for delivery by transport truck of motor gasoline, fuel oil, diesel fuel, or kerosene, or, if this procurement is for Central America only, jet fuel, may require delivery of a quantity as low as 5,200 gallons whenever the activity is restricted either by a tank capacity or by a directive from receiving a larger quantity; and

(ii) Where the Schedule provides for multiple drop delivery, the Contractor may be required to deliver into more than one storage tank. Where truck and trailer is the method of delivery specified, the Contractor may, at its option, make delivery by transport truck. In the case of deliveries in Alaska, where truck and trailer or transport truck is the method of delivery specified, the Contractor may, at its option, make delivery by tank wagon.

(4) The Contractor shall not be required to deliver by tank wagon a quantity of less than 575 liters (or 150 gallons) but, at the Government's option, may be required to deliver into more than one storage tank.

(5) When delivery of fuel oil or lubricating oil is made by tank car, such car shall be equipped with steam coils, if specified in the order, to facilitate the unloading of such product.

(6) When delivery is made by tank wagon, such wagon shall be equipped with pump, meter, and a minimum of 100 feet (30 meters) of hose. Where delivery is made by transport truck or truck and trailer, such delivery equipment shall be equipped with a minimum of 15 feet of hose.

(7) When delivery is made by tank wagon, transport truck, or truck and trailer to a Government facility--

(i) The Contractor shall provide properly maintained delivery equipment and properly trained delivery personnel to reasonably assure that delivery can be made without damage to vegetation and asphalt pavement adjacent to storage facilities being filled. The Contractor's delivery personnel who have not exercised reasonable care and delivery equipment which is poorly maintained, may be refused entrance to the installation by the installation Commander.

(ii) The Contractor shall present delivery equipment and product in such condition at destination so as to permit complete off-loading within the prescribed free time.

(8) Unless otherwise provided in the Schedule, free time for unloading trucks, transport trucks, or trucks and trailers shall be unlimited.

(9) Except for supplies delivered by tank car, boxcar, truck, or lighter, title to supplies delivered, and risk of loss thereof, shall pass from the Contractor to the Government when the supplies pass into the receiving facilities. Title to supplies delivered by tank car or boxcar, and risk of loss thereof, shall pass from the Contractor to the Government at the time the car is released by the carrier for unloading. Title to supplies delivered by truck, and risk of loss thereof, shall pass from the Contractor to the Government when the drummed or packaged supplies are removed from the truck. Title to supplies delivered by lighter, and risk of loss thereof, shall pass from the Contractor to the Government at the time the receiving vessel's tackle is attached to the supplies to be unloaded.

(DESC 52.247-9F07)

F1.09 DETERMINATION OF QUANTITY (DESC NOV 1997)

(a) **QUANTITY.** The quantity of supplies furnished under this contract shall be determined as follows:

(1) DELIVERIES INTO OR BY TANKER/BARGE.

(i) F.O.B. ORIGIN.

(A) On items requiring delivery at the Contractor's refinery, terminal, or bulk plant on an f.o.b. origin basis, the quantity shall be determined (at the Contractor's option) on the basis of--

- (a) Shore tank measurements; or
- (b) Calibrated meter.

(B) The Government will have the right to have a representative present to witness the measurement of quantity.

(ii) F.O.B. DESTINATION.

(A) On items requiring delivery on an f.o.b. destination basis, the quantity shall be determined (at the Government's option) on the basis of receiving shore tank measurements.

(B) The Contractor has the right to have a representative present to witness the delivery and measurement of quantity.

(2) DELIVERIES INTO OR BY PIPELINE.

(i) F.O.B. ORIGIN.

(A) On items requiring delivery at the Contractor's refinery, terminal, or bulk plant on an f.o.b. origin basis, the quantity shall be determined (at the Contractor's option) on the basis of--

- (a) Calibrated meter; or
- (b) Shipping tank measurements.

(B) The Government will have the right to have a representative present to witness the measurement of quantity.

(ii) F.O.B. DESTINATION.

(A) On items requiring delivery on an f.o.b. destination basis, the quantity shall be determined (at the Government's option) on the basis of--

- (a) Receiving tank measurements; or
- (b) Calibrated meter (if the facility is so equipped).

(B) The Contractor has the right to have a representative present to witness the delivery and measurement of quantity.

(iii) F.O.B. JUNCTION. On items requiring delivery f.o.b. junction of Contractor-owned or controlled pipeline and Government-owned or controlled pipeline, the quantity shall be determined (at the Government's option) on the basis of--

- (A) Calibrated meter; or
- (B) Shipping tank measurements. Pipeline between shipping tank and f.o.b. point shall be full at the time of tank gaugings.

(C) The Contractor has the right to have a representative present to witness the delivery and measurement of quantity.

(3) DELIVERIES INTO OR BY RAIL TANK CAR.

(i) F.O.B. ORIGIN.

(A) On items requiring delivery at the Contractor's refinery, terminal, or bulk plant on an f.o.b. origin basis, the quantity shall be determined (at the Contractor's option) on the basis of--

- (a) Calibrated meter; or
- (b) Weight, using calibrated scales; or
- (c) The certified capacity table for the rail tank car.

(B) The Government will have the right to have a representative present to witness the measurement of quantity.

(ii) F.O.B. DESTINATION. On items requiring delivery on an f.o.b. destination basis, the quantity of supplies furnished under this contract shall be determined (at the Government's option) on the basis of--

- (A) The certified capacity table of the rail tank car received; or
- (B) Weight, using calibrated scales; or
- (C) Calibrated meter.
- (D) The Contractor has the right to have a representative present to witness the delivery and measurement of quantity.

(4) DELIVERIES INTO OR BY TANK TRUCK/TRUCK AND TRAILER/TANK WAGON.

(i) F.O.B. ORIGIN.

(A) On items requiring delivery at the Contractor's refinery, terminal, or bulk plant on an f.o.b. origin basis, the quantity shall be determined (at the Contractor's option) on the basis of--

- (a) Certified capacity tables of the conveyance loaded; or
- (b) Calibrated meter; or
- (c) Weight, using calibrated scales.

(B) The Government has the right to have a representative present to witness the measurement of quantity.

(ii) F.O.B. DESTINATION.

(A) In any case, at the Government's option, quantity may be determined at the receiving activity on the basis of--

- (a) Weight, using calibrated scales; or
- (b) A calibrated meter on the receiving tank system.

(B) If the Government does not elect to use one of the methods in (A) above, the quantity shall be determined (at the Contractor's option) on the basis of--

- (a) Calibrated meter;
- (b) Certified capacity tables. The tables must be made available at the time of delivery
- (c) Certified tank calibration markers. Certified tank calibration markers will not be accepted unless the conveyance is full to the marker and the entire quantity is delivered; or
- (d) The net quantity determined at the loading point by a calibrated loading rack meter or calibrated scales. This quantity must be mechanically imprinted on the loading rack meter ticket that is generated by the loading rack meter or calibrated scales. If this method is used, the Government reserves the right to redetermine the quantity received at time of delivery by gauging the receiving tank before and after delivery.

(iii) **WATER BOTTOMS.**

- (A) Every delivery must be free of all water bottoms prior to discharge; and
- (B) The Contractor is responsible for their removal and disposal.

(b) **VOLUME CORRECTION.** Volume correction to gallons at 60°F (or liters at 15°C) is required for--

- (1) All product volumes measured in storage tanks, tankers, barges, pipeline tenders, and rail tank cars.
- (2) All product volumes of chemicals, residual fuels, and lubricating oils measured in tank trucks, trucks and trailers, and tank wagons. For this purpose, residual fuels are any products with a viscosity equal to or greater than a regular (not light) No. 4 Fuel Oil (ASTM D 396).
- (3) All other volumes of fuels and fuel oils measured in tank trucks, trucks and trailers, and tank wagons which are in excess of 3,500 gallons.

(c) **MEASUREMENT STANDARDS.** All measurements and calibrations made to determine quantity shall be in accordance with the most recent edition of the API Manual of Petroleum Measurement Standards (MPMS) Outside the U.S., other technically equivalent national or international standards may be used. Certified capacity tables shall mean capacity tables prepared by an independent inspector or any independent surveyor. In addition, the following specific standards will be used as applicable:

(1) API MPMS Chapter 11.1, Volume Correction Factors (API 2540/AASTM D 1250/IP 200/ISO 91-1). Either the printed version or the computer subroutine versions of the standard may be used. In case of disputes, the computer subroutine shall be the referee method.

- (i) For crude oils, JP4, and Jet B, use Volume I, Tables 5A and 6A (or Volume VII Tables 53A and 54A).
- (ii) For lubricating oils, use Volume XIII, Tables 5D and 6D (or Volume XIV, Tables 53D and 54D).
- (iii) For all other fuels and fuel oils, use Volume II, Tables 5B and 6B (or Volume VIII, Tables 53B and 54B).
- (iv) For chemicals/additives use Volume III, Table 6C (or Volume IX, Table 54C), or volume correct in accordance with the product specification.

(v) Volume XII, Table 52, shall be used to convert cubic meters at 15°C to barrels of 60°F. Convert liters at 15°C to cubic meters at 15°C by dividing by 1,000. Convert gallons at 60°F to barrels at 60°F by dividing by 42. Should foreign law restrict conversion by this method, the method required by law shall be used.

(vi) If the original measurement is by weight and quantity is required in U.S. gallons, then--

- (A) Volume XI, Table 8, shall be used to convert pounds to U.S. gallons at 60°F.
- (B) Volume XII, Table 58, shall be used to convert metric tons to U.S. gallons at 60°F.

(2) **API MPMS, Chapter 4, Proving Systems.** All meters used in determining product volume shall be calibrated using this standard with the frequency required by local regulation (foreign or domestic). If no local regulation exists, then the frequency of calibration shall be that recommended by the meter manufacturer or every 6 months, whichever is more frequent.

(3) **API MPMS Chapter 12, Calculation of Petroleum Quantities.** All calculations of net quantities shall be made in accordance with this chapter. Outside the U.S., use of a tank shell correction factor is not required unless its use is a customary practice for custody transfer.

F1.25 DELIVERY AND ORDERING PERIODS (DESC JUL 1995)

- (a) This clause applies to all modes of delivery, whether origin or destination.
- (b) The period of this contract during which the Ordering Officer may order and the Contractor shall deliver, if ordered, shall be as follows unless the item in the Schedule specifies otherwise:
- (1) For Line Item 0101 Ordering Period Begins: Date of Award and Ends: December 11, 2000.
 - (2) For Line Item 0101 Delivery Period Begins: October 1, 1999 and Ends: December 31, 2000.
 - (1) For Line Item 0201 Ordering Period Begins: Date of Award and Ends: August 11, 2000.
 - (2) For Line Item 0201 Delivery Period Begins: January 1, 2000 and Ends: August 31, 2000.
 - (1) For Line Item 0301 Ordering Period Begins: Date of Award and Ends: December 11, 1999.
 - (2) For Line Item 0301 Delivery Period Begins: December 1, 1999 and Ends: December 31, 1999.
- (c) Notwithstanding the foregoing, deliveries made prior to the delivery period at the option of the Contractor and pursuant to an order by the Government shall be deemed to have been made under this contract at the applicable contract price(s).
- (d) Notwithstanding the foregoing delivery period(s), if an order is placed prior to the end of the ordering period that requires delivery within 30 days following the end of the ordering period, the Contractor shall deliver the ordered volume.
- (e) Insofar as practicable, the Government will attempt to lift in approximately equal monthly quantities for the life of the contract. However, if the monthly pro rata for tanker lifting is less than the Contractor's maximum parcel size, the Government reserves the right to order volumes equal to the maximum parcel size per delivery.
- (f) Unless otherwise specifically stated in this contract, and notwithstanding (e) above, where the total estimated quantity for any individual product or grade of product awarded under this contract is equal to or less than 30,000 barrels, the Government may order, and the Contractor shall deliver, if ordered, the entire quantity in one delivery.
- (g) Nothing included in this clause shall restrict the Government's rights under the DELIVERY-ORDER LIMITATIONS - SCOPE OF CONTRACT clause. (DESC 52.242-9F70)

F15 BARGE AND/OR T1 CLASS TANKER DEMURRAGE AND LOADING CONDITIONS (DESC MAR 1994)

On items calling for delivery f.o.b. barge and/or T1 Class tanker at origin--

(a) DELIVERY DATES.

- (1) Unless otherwise specified in the Schedule, orders placed under items of the Schedule calling for delivery f.o.b. barge and/or T1 Class tanker at Contractor's refinery, terminal, or bulk plant will be furnished to the Contractor at least 15 days in advance of the date on which delivery is to be made, which date is hereafter referred to as the "scheduled delivery date." Each order will specify the quantity to be delivered, the scheduled delivery date, and the cargo number, and, if then available, the name of the barge and/or T1 Class tanker (herein referred to as "vessel") to be loaded.
- (2) The scheduled delivery date may be revised by the Ordering Officer at any time and, unless the Contractor registers objections with the Ordering Officer within 72 hours of receipt of such revised scheduled delivery date, such revised date shall become the new agreed scheduled delivery date. At the time the Contractor registers any such objections, the Contractor must provide a date, subsequent to the date proposed by the Ordering Officer, which represents the earliest date the Contractor can provide a berth. The Ordering Officer must confirm or reject the alternate date provided by the Contractor within 72 hours of receipt of the Contractor's objection. If the Ordering Officer chooses to accept the alternate date provided in the Contractor's objection, such revised date shall become the new agreed scheduled delivery date. If the Ordering Officer chooses to reject the alternate date provided by the Contractor, the scheduled delivery date will return to the previously scheduled delivery date.

(3) All communications regarding the establishment and revision of the scheduled delivery date and objections thereto shall be set down in writing at such time or promptly confirmed in writing.

(b) EXPECTED TIME OF ARRIVAL.

- 7 (1) **FOR WESTPAC/EUR/MED SHUTTLE OPERATIONS.** The vessel designated to lift the cargo will notify the Contractor (at the telex number provided by the Contractor or cause it to be notified when the Contractor does not provide a telex number) of its name and the expected hour of arrival of the barge at least 72 hours before the expected time of arrival and update this notification at 48 and 24 hour intervals before expected arrival.
- (2) **FOR ALL OTHER VESSELS.** The vessel designated to lift the cargo will notify the Contractor at the telex number provided by the Contractor or cause it to be notified when the Contractor does not provide a telex number of the name and the expected hour of arrival of the vessel at least 24 hours before the expected time of arrival.

(c) **LAYTIME.** The Contractor shall provide as soon as possible, but within 3 hours after receipt of notice of readiness to load from the vessel designated to load the cargo, a reachable berth free of cost to the Government, where the vessel can be safely moored and remain afloat at all times, for loading of the ordered supplies. Laytime shall commence, berth or no berth, either at the expiration of 3 hours after notice of readiness, or immediately when the vessel moors alongside, with or without notice of readiness, whichever first occurs; PROVIDED, however, that--

(1) If the vessel is tendered for loading on a date earlier than the last scheduled delivery date as determined pursuant to paragraph (a) above, the Government scheduled vessel shall be loaded as soon as possible in its proper turn with other vessels, and laytime shall not commence until the vessel moors alongside or at 3:00 a.m. local time on the last agreed schedule delivery date, whichever first occurs.

(2) If the vessel is tendered for loading later than noon on the day following the last agreed scheduled delivery date, as determined pursuant to paragraph (a) above, the vessel shall be loaded as soon as possible in its proper turn with other vessels. Laytime shall commence when the vessel moors alongside, provided a good faith effort is made by the Contractor to have the vessel loaded as soon as is reasonably possible under the circumstances prevailing at the time.

(3) Laytime shall continue 24 hours a day, 7 days a week, without interruption from its commencement until loading of the vessel is completed and the vessel has been released for sailing by the Government Quality Representative.

(d) **ALLOWED LAYTIME.**

(1) **BASIC ALLOWED LAYTIME.** For cargo movements under DESC bulk petroleum contracts, the Contractor shall be allowed 1 hour for each 2,000 barrels loaded.

(2) **INCREASES TO BASIC LAYTIME.**

(i) If, after laytime commences, the condition of the vessel to be loaded does not permit loading, such basic allowed laytime shall be increased by the duration of such delay.

(ii) If the vessel is delayed in reaching its berth and the delay is caused by the fault of the vessel, such basic allowed laytime will be increased by the duration of such delay that occurred after laytime commenced.

(iii) If regulations of the owner, operator of the vessel, Customs Officials, or Port Authority prohibit loading at any time after laytime commenced, time so lost shall be added to the basic allowed laytime.

(iv) If for any reason the Contractor is delayed in loading the barge or there is a delay in releasing the vessel for sailing because of action of the U.S. Government that arises out of causes beyond the control and without the fault or negligence of the Contractor, such basic allowed laytime shall be increased by the duration of such delay.

(v) If the vessel requests cargo tanks be cushioned or topped off during the loading process and the quantity of product cushioned or topped including the time spent cushioning/topping tanks is noted on the DD Form 250-1, Loading/Inspection Report, the basic allowed laytime shall be increased by the difference between the actual time taken to cushion/top tanks and the amount of time required to pump the same quantity of cushioned/topped product at the Contractor's actual loading rate exclusive of cushioning/topping time and cushioning/topping quantity.

(vi) Contractor will be allowed up to 4 hours of additional laytime following removal of cargo hoses until vessel is released by the inspector in order to accomplish tasks required under the CONTRACTOR INSPECTION RESPONSIBILITIES clause.

(vii) There will be no increases made to the basic allowed laytime (nor other reductions to any resulting demurrage time) for saved laytime arising out of other loadings.

(viii) Delays, after commencement of laytime, attributed to causes beyond the control and without the fault or negligence of the Contractor or the U.S. Government will result in increasing basic allowed laytime for one half of the delay.

(e) For all hours of laytime that elapse in excess of allowed laytime for loading provided for by paragraph (d) above, demurrage shall be paid by the Contractor as follows:

(1) **TIME CHARTER VESSELS.** At the demurrage rate for the vessel loaded, computed to the nearest whole hour, as published by the Military Sealift Command, and in effect on the date loading of the vessel is completed.

(2) The demurrage rate set forth in the Carrier's Tender of Freight Services and Demurrage Invoice to the Government.

(3) **CONTRACT VESSELS.** At the hourly rate specified in the contract.

(f) Hoses for loading a vessel shall be furnished, connected, and disconnected by the Contractor; loading arm shall be connected and disconnected by the Contractor.

(g) Title to the supplies delivered and risk of loss thereof shall pass from the Contractor to the Government when the supplies pass the vessel's permanent hose connection.

F21 CONTRACTOR NOTICE REGARDING LATE DELIVERY (DESC APR 1968)

In the event the Contractor encounters difficulty in meeting performance requirements, or when it anticipates difficulty in complying with the contract delivery Schedule or date, it shall immediately notify the Contracting Officer, in writing, giving pertinent details; PROVIDED, however, that this data shall be informational only in character and that this provision shall not be construed as a waiver by the Government of any delivery Schedule or date or of any rights or remedies provided by law or under this contract. (DESC 52.242-9FM1)

F52 TANKER/OCEAN-GOING BARGE DEMURRAGE AND LOADING CONDITIONS (DESC NOV 1996)

On items calling for delivery f.o.b. tanker/ocean-going barge at origin--

(a) DELIVERY DATES.

(1) Unless otherwise specified in the Schedule, orders placed under items of the Schedule calling for delivery f.o.b. tanker/ocean-going barge at Contractor's refinery, terminal, or bulk plant will be furnished to the Contractor at least 20 days in advance of the date on which delivery is to be made, which date is hereinafter referred to as the "scheduled delivery date." Each order will specify the quantity to be delivered, the scheduled delivery date, the cargo number, and, if then available, the name and size of the tanker/ocean-going barge (herein referred to as "vessel") to be loaded.

(2) The scheduled delivery date may be revised by the Ordering Officer at any time and unless the Contractor registers objections with the Ordering Officer within 72 hours of receipt of such revised scheduled delivery date, such revised date shall become the new agreed scheduled delivery date. At the time the Contractor registers any such objections, the Contractor must provide a date, subsequent to the date proposed by the Ordering Officer, which represents the earliest date the Contractor can provide a berth. The Ordering Officer must confirm or reject the alternate date provided by the Contractor within 72 hours of receipt of the Contractor's objection. If the Ordering Officer chooses to accept the alternate date provided in the Contractor's objections, such revised date shall become the new agreed scheduled delivery date. If the Ordering Officer chooses to reject the alternate date provided by the Contractor, the scheduled delivery date will return to the previous scheduled delivery date.

(3) All communications regarding the establishment and revision of the scheduled delivery date and objections thereto shall be set down in writing at such time or promptly confirmed in writing.

(b) **EXPECTED TIME OF ARRIVAL.** The vessel designated to lift the cargo will notify the Contractor's load facility, at the telex/facsimile number provided by the Contractor, of the name and the expected hour of arrival of the vessel at least 72 hours before the expected time of arrival, and at additional intervals of 48 and 24 hours before expected arrival. When vessels are scheduled to load at more than one contract source within a port complex, the 72-48-24 hour notices will be provided by the vessels to all contract sources at the same time as the notice is provided to the first contract source and will stipulate the order of loading.

(c) **LAYTIME.** The Contractor shall provide as soon as possible, but within 6 hours after issue of notice of readiness to load from the vessel designated to load the cargo, a reachable berth, free of cost to the Government, for the loading of supplies ordered, where at least vessels with a maximum draft of 36 feet can be safely moored and remain afloat at all times. When vessels are scheduled to load at more than one contract source within a port complex, notice of readiness will be provided once by the vessel to all contract sources simultaneously. Laytime shall commence, berth or no berth, either at the expiration of 6 hours after notice of readiness is received or immediately when the vessel moors alongside with or without notice of readiness, whichever first occurs; PROVIDED, however, that--

(1) If the vessel is tendered for loading on a date earlier than the last agreed scheduled delivery date as determined pursuant to paragraph (a) above, the Government's vessel shall be loaded as soon as possible in its proper turn with other vessels, and laytime shall not commence until the vessel moors alongside or at 6:00 a.m. local time on the last agreed scheduled delivery date, whichever first occurs.

(2) If the vessel is tendered for loading later than noon of the day following the last agreed scheduled delivery date, as determined pursuant to paragraph (a) above, the vessel shall be loaded as soon as possible in its proper turn with other vessels. Laytime shall commence when the vessel moors alongside, provided a good faith effort is made by the Contractor to moor the vessel in its turn with other vessels as loading berths become available. If the vessel is not moored in its proper turn with other vessels, laytime will commence at 6:00 a.m. on the date the Government vessel's turn occurred, regardless of whether the cargo is available.

(3) For two or more contract sources within a port complex, laytime for the second or subsequent source begins when the vessel leaves the prior source.. Laytime credit will be allowed for transit time between the prior and subsequent load source based on the actual transit time from the previous source to the subsequent source's loading berth or anchorage area if the berth is not available for the Government's vessel. In the event a berth is not available and the vessel is forced to anchorage, no additional laytime credit will be allowed when the vessel finally gets clearance to moor at the contractor's berth.

(4) Laytime shall continue 24 hours a day, 7 days a week, without interruption from its commencement until the entire loading of the vessel cargo is completed and the vessel has been released for sailing by the Government Quality Representative.

(d) **ALLOWED LAYTIME.**

(1) **BASIC ALLOWED LAYTIME.** For cargo movements under DESC bulk petroleum contracts, the Contractor shall be allowed 36 hours of basic allowed laytime for loading a full vessel cargo. The 36 hours covers all operations for loading including cushioning and topping tanks. When partial vessel cargoes are to be loaded, a portion of the 36 hours basic laytime will be allocated to each loading port equal to the percentage of the total quantity loaded at each loading port or source.

(2) **INCREASES TO BASIC ALLOWED LAYTIME.**

(i) If after laytime commences, the condition of vessel to be loaded does not permit loading, such basic allowed laytime shall be increased by the duration of such delay.

(ii) If the vessel is delayed in reaching its berth and the delay is caused by the fault of the vessel, such basic allowed laytime will be increased by the duration of such delay which occurred after laytime commenced.

(iii) After laytime commences, when vessels are required to dock at anchorage due to vessel delays such as vessel inspection and inerting, laytime credit will be allowed for transit time from anchors away at anchorage until first line ashore berthing, not to exceed 2 hours.

(iv) If regulations of the owner or operator of the vessel prohibit loading at any time after laytime has commenced, time so lost shall be added to the basic allowed laytime.

(v) If for any reason the Contractor is delayed in loading the vessel or there is a delay in releasing the vessel for sailing because of action of the U.S. Government that arises out of causes beyond the control and without the fault or negligence of the Contractor, such basic allowed laytime shall be increased by the duration of such delay.

(vi) The Contractor will be allowed up to 4 hours of additional laytime following removal of cargo hoses until the vessel is released by the inspector in order to accomplish tasks required under the CONTRACTOR INSPECTION RESPONSIBILITIES clause.

(vii) There will be no increase made to the basic allowed laytime (nor other reductions to any resulting demurrage time) for saved laytime arising out of other loadings.

(viii) Delays, after commencement of laytime, attributed to causes beyond the control and without the fault or negligence of the Contractor or the U.S. Government will result in increasing basic allowed laytime for one-half of the delay.

(e) For all hours of laytime which elapse in excess of allowed laytime for loading provided for by paragraph (d) above, demurrage shall be paid by the Contractor as follows:

(1) **USS, USNS, OR TIME CHARTERED VESSELS.** At the demurrage rate for the vessel loaded, computed to the nearest whole hour, as published by the Military Sealift Command, and in effect on the date loading of the vessel is completed.

(2) **VOYAGE CHARTERED VESSELS.** At the demurrage rate cited in the charter, except that the demurrage payable by the Contractor shall in no event exceed the actual demurrage expense incurred by the Government under the charter;

(f) Hoses for loading a vessel shall be furnished, connected, and disconnected by the Contractor; loading arms shall be connected and disconnected by the Contractor.

(g) Title to the supplies delivered and risk of loss thereof shall pass from the Contractor to the Government when the supplies pass the vessel's permanent hose connections.

(h) The temperature of any fuel oil loaded shall be at least 10°F below the flash point of the oil and in no case higher than 150°F if the cargo tanks are uncoated, or 135°F if coated; **PROVIDED**, however, that in no event shall the difference between the temperature of the oil entering the vessel manifold and the recorded temperature of sea water at the vessel's condenser intake exceed 70°F; **PROVIDED** further, that the Master of the vessel may authorize loading the product at a temperature higher than specified above, so long as the temperature of the product remains at least 10°F below the flash point of the product.

**F92 SCHEDULE OF CONTRACTOR'S REFINERY SHUTDOWNS FOR TURNAROUNDS
(DESC MAY 1997)**

(a) Within 30 days from the date of contract award, the Contractor shall furnish to the Contracting Officer a tentative refinery shutdown schedule for the contract period in order that the placement of orders and the delivery of supplies as set forth under the DELIVERY AND CONTRACT PERIODS clause may be adjusted to provide for delivery of the entire contract quantity. The schedule will identify the specific period(s) when the refinery will be shut down and the effect that the shutdown will have on availability of each product under the contract. Any revisions to this schedule will necessitate prior notice of at least 60 days in order to coordinate the placement of orders for the delivery of the entire contract volume.

(b) If the Contractor cannot provide the 60 days advance notice, then, at no additional cost to the Government, the Contractor shall maintain sufficient inventory to make deliveries in support of the ordering activities' requirements or the Contractor shall provide for an alternate source for product during the shutdown period(s).

(DESC 52.212-9F11)

F105 VARIATION IN QUANTITY (APR 1984)

(a) A variation in the quantity of any item called for by this contract will not be accepted unless the variation has been caused by conditions of loading, shipping, or packing, or allowances in manufacturing processes, and then only to the extent, if any, specified in paragraph (b) below.

(b) The permissible variation shall be limited to--

3 Percent increase

3 Percent decrease

This increase or decrease shall apply to each delivery order.

(FAR 52.211-16)

F105.01 DEADFREIGHT (DESC JUN 1990)

(a) Any decrease in quantity not permissible under the VARIATION IN QUANTITY clause shall result in deadfreight, chargeable to the Contractor and calculated as follows:

Total days of the cargo
TIMES
Vessel daily cost
DIVIDED BY
Vessel capacity stated in barrels
TIMES
Total barrels scheduled to load MINUS Total barrels loaded
EQUALS
Deadfreight cost

(b) Explanation of terms used in (a) above follows:

(1) "Total days of the cargo," as used in this clause, is calculated as the elapsed days from the vessel's final departure date from previous cargo port through vessel's final discharge date for the cargo in question.

(2) "Vessel daily cost," as used in this clause, shall be determined as follows:

(i) **VOYAGE CHARTER TANKER.** At the per diem rate in the charter, except that the deadfreight payable by the Contractor shall not exceed actual expense incurred by the Government under the charter.

(ii) **USS, USNS, OR TIME CHARTERED TANKER.** At the per diem rate for the tanker loaded, as published by the Military Sealift Command and in effect on the date loading of the tanker is completed.

(3) "Total barrels scheduled to load," as used in this clause, is the total quantity (all products) reflected on the latest DD Form 1155.

(4) "Total barrels loaded," as used in this clause, is the total quantity (all products) shown as loaded on the DD Form 250-1.

F109 IN-LINE BLENDING OF NONAVIATION PETROLEUM PRODUCTS (DESC DEC 1991)

(a) In response to this solicitation, offerors may offer nonaviation petroleum products that use In-Line Blending (ILB) procedures for delivery into tankers and barges (vessels). Offerors planning to use ILB procedures to blend finished product, as it is being delivered into vessels, must include with the offer a detailed description of the ILB procedures, including quantity determination. Automatic, on-line test procedures must be described in detail, including whether these tests are ASTM (or equivalent) approved. ILB procedures must be acceptable to the Government. The Contractor has the option of meeting the requirements of either (b) or (c) below.

(b) The Contractor is responsible for product quality on board the vessel.

(1) During an ILB operation, changes in the blend ratio may occur during vessel loadings. In order to assure the entire cargo is uniformly blended, sampling and testing on board the vessel are required. Although Section 4 of the Product Specification, Quality Assurance Provisions, defines a Bulk Lot as an indefinite quantity of a homogeneous mixture of material offered for acceptance in a single isolated container, sampling and full specification testing of each vessel tank system is acceptable.

(2) The following vessel sampling and testing must be performed by the Contractor and substitutes for the Sampling and Testing requirements contained in the CONTRACTOR INSPECTION RESPONSIBILITIES clause. All tests must be on-specification as evidence that the Contractor has met the contract product quality requirements.

(i) An appearance, gravity, and flash point (if product specification has a flash point requirement) on an all-level sample from each tank used in the loading. A half (0.5) liter sample from each tank will be retained for 45 days.

(ii) A full specification test series on a multiple tank composite sample representing each vessel tank system used in the loading. If more than four systems are used only four multiple tank composite samples need to be tested. In this case, the Contractor will ensure that multiple tank composite samples are representative of all product loaded, and the Contractor will determine which vessel tanks will be included in each multiple tank composite sample. A 20-liter multiple tank composite sample for each vessel tank system will be retained for 45 days.

(iii) All time and costs associated with sampling and testing the finished product aboard the vessel will be borne by the Contractor.

(iv) If the product does not conform to specification aboard the vessel, the Government has the option to require the Contractor to pump the cargo back to the Contractor's facility. In this circumstance, title for the nonconforming product will revert to the Contractor, and the Contractor will have no right to payment for such product. All delays and costs associated with the nonconforming product, including demurrage and any vessel cleaning determined necessary by the Government, will be borne by the Contractor.

(c) The Contractor is responsible for product quality at the custody transfer point.

(1) Subdivisions (b)(2)(i) and (ii) above, sampling and testing, must still be performed.

(2) The Contractor must also obtain samples at the custody transfer point that are representative of the product in the various vessel tanks. Samples must be taken in accordance with ASTM D 4177. As a minimum, an 8-liter composite sample, representative of each quarter cargo, will be taken. One 4-liter sample from each of these composites will be retained for a period of 45 days.

(3) If all vessel tests required by subdivisions (b)(2)(i) and (ii) above conform to specification, it will be concluded the Contractor met the contract quality requirements and no additional testing of custody transfer samples will be required.

(4) If any vessel tests in subdivisions (b)(2)(i) and (ii) above are off-specification, the Contractor must perform a full specification test series on the applicable custody transfer composite sample(s) that represents the on board off-specification product. If the custody transfer point sample(s) conforms to specification, it will be concluded the Contractor met the contract quality requirements. If the custody transfer point sample(s) does not conform to specification, it will be concluded the Contractor did not meet the contract quality requirements and the Government has the option to require the Contractor to pump the cargo back to the Contractor's facility. In this circumstance, title for the nonconforming product will revert to the Contractor and the Contractor will have no right to payment for such product. All delays and costs associated with the nonconforming product, including demurrage and any vessel cleaning determined necessary by the Government, will be borne by the Contractor.

(d) The Contractor may inspect tankers and barges for suitability to load the intended cargo. If the Contractor chooses the paragraph (b) option to guarantee product quality on board the vessel and the Contractor and the U.S. Quality Representative (QR) disagree as to the suitability to load Government-furnished vessels, the determination of the Contractor will govern. If the Contractor chooses the paragraph (c) option to guarantee product quality at the custody transfer point and the Contractor and QR disagree as to the suitability to load Government-furnished vessels, the determination of the QR will govern.

(e) The Contractor must state in its offer whether it will meet either the paragraph (b) or (c) requirements.

SECTION G

G3 INVOICE NUMBERING REQUIREMENTS (DESC AUG 1998)

Each invoice submitted for payment under this contract shall be identified by an individual invoice number. The number shall not be duplicated on subsequent invoices. Duplicate invoice numbers or invoices that do not include numbers may be rejected.

G3.01 PAYMENT DUE DATE (DFSC OCT 1988)

When payment due date falls on a Saturday or Sunday, or on a United States Official Federal holiday, payment will be due and payable on the following workday.

G150.05 SUBMISSION OF INVOICES FOR PAYMENT-COMMERCIAL ITEMS (BULK) (DFSC JUN 1996)

(a) CERTIFICATION OF RECEIPT.

(1) F.O.B. DESTINATION DELIVERIES.

(i) The Quality Representative (QR) or authorized receiving activity personnel will certify the receipt and forward three copies to the appropriate paying office. If the receiving activity is not a U.S. organization, the authorized U.S. representative, as indicated in the SIOTH, will certify and distribute the receiving documents. One of the copies of the receiving report submitted for payment must contain the original signature of the QR and will have the following information stamped, printed, or typed on it: "ORIGINAL RECEIVING REPORT FOR PAYMENT OF INVOICE". The receiving report must be signed by the QR to certify acceptance of the product prior to submission of the receiving report to the paying office.

(ii) The receipt for f.o.b. destination fuel may be one of the following documents:

- (A) The DD Form 250, Material Inspection and Receiving Report;
- (B) The DD Form 250-1, Tanker/Barge Material and Inspection Report; or
- (C) The DD Form 1155, Order for Supplies or Services, or the SF 1449, Solicitation/Contract/Order for

Commercial Items.

(2) F.O.B. ORIGIN DELIVERIES.

(i) The QR will certify the receiving report and provide the Contractor with three copies, except for electronic submission, which requires only one copy. One copy must contain the original signature of the QR and will have the following information stamped, printed, or typed on it: "ORIGINAL RECEIVING REPORT FOR PAYMENT OF INVOICE". The receiving report must be signed by the QR to certify acceptance of the product prior to submission of the receiving report to the paying office.

(ii) In order to receive payment, the Contractor must mail three copies (one of which will contain an original signature) of the applicable receiving report to the appropriate paying office, identifying the invoice numbers that are supported by the receiving documents. For electronic submission, the Contractor must maintain the hard copy receiving report for a period of seven years after final payment under this contract and will make it available for inspection by the Government, if requested.

(iii) When faxing an invoice, the Contractor shall also submit the applicable original receiving report no later than three days after each delivery. If the hard copy receiving report is not received from the Contractor by the paying office within 90 days of a facsimile receiving report, the provisions of this clause become inoperative and future fax messages will not be acceptable until remedial action is taken by the Contractor.

(iv) The receipt for f.o.b. origin fuel may be one of the following documents:

- (A) The DD Form 250, Material Inspection and Receiving Report;
- (B) The DD Form 250-1, Tanker/Barge Material and Inspection Report; or

(b) **SUBMISSION OF INVOICES BY MAIL.** Unless otherwise indicated on the face of the DD 1155 or SF 1449, hard copy invoices for product paid for by Defense Logistics Agency/DESC funds should be mailed to the address below:

DEFENSE FINANCE AND ACCOUNTING SERVICE - COLUMBUS CENTER
STOCK FUND DIRECTORATE
FUELS ACCOUNTING AND PAYMENT DIVISION
ATTN DFAS-CO-SFFB
PO BOX 182317
COLUMBUS OH 43218-6250

(c) **SUBMISSION OF INVOICES BY FACSIMILE.**

(1) Contractors that select the facsimile method of invoicing prior to contract award must do so for all invoices. Failure to comply with the requirements of this clause will result in revocation of the Contractor's right to submit invoices by the fax method.

(2) Contractors shall include their own fax number on each document transmitted.

(3) Fax number for invoices is (614) 693-0670 (DFAS-CO-SF).

(4) Contractors that elect to transmit invoices by fax are responsible for validating receipt of the faxed invoice. Verification can be made by calling Customer Service (DFAS-CO-SF) at (800) 453-5014, or (614) 693-4994 between 8 a.m. and 5 p.m. EST/EDT, Monday through Friday, excluding Federal holidays. DFAS-CO-SF will not be held accountable for transmissions not received.

(5) After transmitting the original invoice, the Contractor shall mark that invoice "ORIGINAL INVOICE - FAXED" and retain it. The hard copy is not required for payment and shall not be mailed to the payment office unless DFAS-CO-SF specifically requests it.

(d) **SUBMISSION OF INVOICES ELECTRONICALLY.**

(1) **APPLICABILITY.** Electronic submission of invoices applies only to DoD items paid for with DLA/DESC funds by DESC Columbus, OH.

(2) **REQUIREMENTS.** Prior to submission of electronic invoices via electronic data interchange (EDI) under this clause, the Contractor and DESC must have a signed Trading Partner Agreement (TPA) and Addendum 810, Invoices, and Addendum 824, Invoice Return Notification. Invoices submitted electronically shall be in accordance with the provisions of the signed TPA and Addendum 810. Electronic invoices submitted shall be American National Standards Institute (ANSI) Accredited Standard Committee (ASC) X12 810 Transaction Sets. These 810 Transaction Sets shall follow the AVNET Convention as specified by the Petroleum Industry Data Exchange. The electronic invoice shall contain all fields required by the AVNET Convention, including the contract number, order number, name of tanker and cargo number or shipment number (if applicable), item number, and contract description of supplies, services, sizes, quantities, unit price, and extended total, and, if shipment is made of a Government Bill of Lading, the Bill of Lading number.

(3) **INVOICING ADDRESS.** Electronic invoices for items paid for with DLA/DESC, as cited on the DD 1155 or SF 1449, shall be electronically submitted to DTDN/S39008 or GOVDP/S39008.

(e) **SUBMISSION OF INVOICES BY COURIER.**

(1) Couriers, acting on the behalf of the Contractor, may deliver Contractor invoices being submitted for payment to the following mailroom street address:

DEFENSE FINANCE AND ACCOUNTING SERVICE
FUELS ACCOUNTING AND PAYMENTS
DFAS-CO-SFF
4280 EAST FIFTH AVENUE BLDG 6
COLUMBUS OH 43219

(2) Invoices submitted by courier to the above address will be treated in a timely manner.

(f) **NOTES.**

(1) Invoices will reflect quantities in whole numbers.

(2) Unless otherwise expressly specified in the Schedule, payment of invoices will be made in U.S. currency.

(3) **INVOICING FOR DETENTION/DEMURRAGE COSTS.** Invoices for detention/demurrage costs will be submitted by the Contractor directly to the Contracting Officer.

SECTION H

H19.02 REPORTING REQUIREMENTS FOR SHIPMENTS (DESC APR 1999)

(a) Under Data Item Description (DID) Number DI-MGMT-80320 and AMSC Number S4068, the Contractor shall provide the required transaction data shown under (d) below.

(b) The Contractor agrees to submit, within 72 hours of delivery, the shipping data specified in (d) below for all f.o.b. origin shipments requiring transportation by pipeline, tank truck, or tank car. In addition to f.o.b. origin shipments, the Contractor also agrees to submit such information on all other shipments to areas under the responsibility of Defense Energy Support Center (DESC) West. Data specified shall be submitted to the appropriate DESC office listed below:

AREA OF LIFT (SHIPMENT)

DESC ADDRESS AND TELEPHONE NUMBER

Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, and West Virginia

Defense Energy Support Center - Fort Dix
5654 Cambridge Street
Fort Dix, NJ 08640-5000
TELEPHONE: 609-562-2074/2075
FAX: 609-562-6158
DSN (FAX): 944-6158

Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin, and Wyoming

Defense Energy Support Center - St. Louis
66 Sherman Road
Jefferson Barracks
St. Louis, MO 63125-1513
TELEPHONE: 314-260-8786/8787
DSN: 490-8786/8787
FAX: 314-260-8796
DSN (FAX): 490-8796

Alabama, Arizona, Arkansas, Florida, Georgia, Louisiana, Mississippi, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Bolivia, Caribbean Area, Colombia, El Salvador, Honduras, Mexico, Puerto Rico, and West Indies

Defense Energy Support Center - Houston
2320 La Branch Street, Suite 1005
Houston, TX 77004-1091
TELEPHONE: 713-718-3883
DSN: 940-1373
FAX: 713-718-3891/3899

California, Idaho, Montana, Nevada, Oregon, Utah, and Washington

Defense Energy Support Center - Los Angeles
3171 N. Gaffey Street
San Pedro, CA 90731-1099
TELEPHONE: 310-900-6960
FAX: 310-900-6976

Alaska and Aleutians

Defense Energy Support Center - Alaska
Elmendorf AFB, AK 99506-5000
TELEPHONE: 907-552-3760/2857/4650
TWX: 907-753-0517

(c) OVERSEAS AREA OF RESPONSIBILITY (INCLUDING ALASKA AND HAWAII):

AREA	FOOTNOTE	AREA	FOOTNOTE
Afghanistan	2	Marianas	3

Africa (except countries assigned to DFR Middle East)		Mediterranean Sea countries	1
3		1	New Zealand
Alaska	3	Oman	2
Australia	3	Pakistan	2
Bahrain	2	Philippines	3
Burma	3	Qatar	2
Djibouti	2	Ryukyu Islands	3
East Indies	3	Saudi Arabia	2
Egypt	2	Somalia	2
Ethiopia	2	South Pacific Islands	3
Europe (continental)	1	Sri Lanka	3
Hawaii	3	Sudan	2
Indian Ocean countries	3	Taiwan	2
Japan	3	Thailand	3
Jordan	2	Turkey	1
Kenya	2	United Arab Emirates	2
Korea	3	United Kingdom	1
Kuwait	2	Yemen	2
Malaya	3		

FOOTNOTES:

1. DESC Europe

American Arms Hotel
August STR 6 Box 224
65189 Wiesbaden, Germany

Phone:

COM 49-611-380-7666

FAX 011 49-611-380-7412

2. DESC Middle East

PSC 451, Box 386
FPO AE 09834-0386

Phone: Awali, Bahrain

DSN (318) 439-4650

COM 011 973-724650

FAX 011 973-724670

3. DESC Pacific

Box 64110
Camp H M Smith HI 96861-4110

Phone: COM (808) 477-6692

FAX (808) 477-5710

(d) In order of preference, shipment data may be submitted via facsimile (FAX), mail, telephone, or TWX/TELEX.

(1) If the FAX method is used, the Contractor shall transmit one copy of the signed DD Form 250, Material Inspection and Receiving Report.

(2) If the FAX method is NOT used, AND the normal mailing time DOES NOT EXCEED 72 hours, the Contractor may submit one copy of the signed DD Form 250 by mail.

(3) If the FAX method is NOT used and the normal mailing time EXCEEDS 72 hours, the Contractor shall extract the data specified below from the applicable DD Form 250 for submission via telephone or TWX/TELEX. Submission of data via these methods shall be confirmed by a signed copy of the DD Form 250, received by the cognizant DESC office within 14 days of the f.o.b. origin delivery.

DATA**DD FORM 250 BLOCK NO./DATA**

A. National stock number

16 Enter as cited

B. Quantity	17 Enter as cited
C. Contract number	1 Enter as cited
D. Contract line item number	15 Enter as cited
E. Shipment number/SUPAAC	2 Enter as cited
F. Day commenced loading/pumping	16 Enter for pipeline, if cited
G. Bill of lading (B/L) number	4 Enter as cited, for f.o.b. origin shipments only
H. Delivery order number	1 Enter as cited
I. Final shipment indicator	2 Enter, if cited, after "Shipment No."
J. Product Shipment Day	3 Enter as cited, for f.o.b. origin shipments only
K. Product receipt day	22 Enter as cited, for other than f.o.b. origin shipments
L. Mode of shipment	4 Enter as cited

(4) For those Contractors that are authorized Alternate Release Procedures on f.o.b. origin shipments, the unsigned DD Form 250 shall be sent to the applicable DESC office in lieu of the signed copy referenced in (1), (2) and (3) above.

(DESC 52.242-9FQ1)

SECTION I

II.07 REQUIRED CENTRAL CONTRACTOR REGISTRATION (MAR 1998)

(a) **DEFINITIONS.** As used in this clause--

(1) **Central Contractor Registration (CCR) database** means the primary DoD repository for Contractor information required for the conduct of business with DoD.

(2) **Data Universal Numbering Systems (DUNS) number** means the 9-digit number assigned by Dun and Bradstreet Information Services to identify unique business entities.

(3) **Data Universal Numbering System + 4 (DUNS+4) number** means the DUNS number assigned by Dun and Bradstreet plus a 4-digit suffix that may be assigned at the discretion of the parent business concern for such purposes as identifying subunits or affiliates of the parent business concern.

(4) **Registered in the CCR database** means that all mandatory information, including the DUNS number or the DUNS+4 number, if applicable, and the corresponding Commercial and Government Entity (CAGE) code is in the CCR database; the DUNS number and the CAGE code have been validated; and all edits have been successfully completed.

(b) (1) By submission of an offer, the offeror acknowledges the requirement that a prospective awardee must be registered in the CCR database prior to award, during performance, and through final payment of any contract resulting from this solicitation, except for awards to foreign vendors for work to be performed outside the United States.

(2) The offeror shall provide its DUNS or, if applicable, its DUNS+4 number with its offer, which will be used by the Contracting Officer to verify that the offeror is registered in the CCR database.

(3) Lack of registration in the CCR database will make an offeror ineligible for award.

(4) DoD has established a goal of registering an applicant in the CCR database within 48 hours after receipt of a complete and accurate application via the Internet. However, registration of an applicant submitting an application through a method other than the Internet may take up to 30 days. Therefore, offerors that are not registered should consider applying for registration immediately upon receipt of this solicitation.

(c) The Contractor is responsible for the accuracy and completeness of the data within the CCR, and for any liability resulting from the Government's reliance on inaccurate or incomplete data. To remain registered in the CCR database after the initial registration, the Contractor is required to confirm on an annual basis that its information in the CCR database is accurate and complete.

(d) Offerors and contractors may obtain information on registration and annual confirmation requirements by calling 1-888-227-2423 or via the Internet at <http://ccr.edi.disa.mil>.

(DFARS 252.204-7004)

II.22-1 CANCELLATION, RESCISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY (JAN 1997)

(a) If the Government receives information that a Contractor or a person has engaged in conduct constituting a violation of subsection (a), (b), (c), or (d) of section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423) (the Act), as amended by section 4304 of the 1996 National Defense Authorization Act for Fiscal year 1996 (Pub. L. 104-106), the Government may--

(1) Cancel the solicitation, if the contract has not yet been awarded or issued; or

(2) Rescind the contract with respect to which--

(i) The Contractor or someone acting for the Contractor has been convicted for an offense where the conduct constitutes a violation of subsection 27(a) or (b) of the Act for the purpose of either--

(A) Exchanging the information covered by such subsections for anything of value; or

(B) Obtaining or giving anyone a competitive advantage in the award of a Federal agency procurement contract; or

(ii) The head of the contracting activity has determined, based upon a preponderance of the evidence, that the Contractor or someone acting for the Contractor has engaged in conduct constituting an offense punishable under subsection 27(e)(1) of the Act.

(b) If the Government rescinds the contract under paragraph (a) of this clause, the Government is entitled to recover, in addition to any penalty prescribed by law, the amount expended under the contract.

(c) The rights and remedies of the Government specified herein are not exclusive, and are in addition to any other rights and remedies provided by law, regulation, or under this contract.

(FAR 52.203-8)

I2.05 CHANGES - FIXED-PRICE (AUG 1987)

(a) The Contracting Officer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in any one or more of the following:

(1) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the Government in accordance with the drawings, designs, or specifications.

(2) Method of shipment or packing.

(3) Place of delivery.

(b) If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under this contract, whether or not changed by the order, the Contracting Officer shall make an equitable adjustment in the contract price, the delivery schedule, or both, and shall modify the contract.

(c) The Contractor must assert its right to an adjustment under this clause within 30 days from the date of receipt of the written order. However, if the Contracting Officer decides that the facts justify it, the Contracting Officer may receive and act upon a proposal submitted before final payment of the contract.

(d) If the Contractor's proposal includes the cost of property made obsolete or excess by the change, the Contracting Officer shall have the right to prescribe the manner of the disposition of the property.

(e) Failure to agree to any adjustment shall be a dispute under the DISPUTES clause. However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

(FAR 52.243-1)

I4 DISCOUNTS FOR PROMPT PAYMENT (MAY 1997)

(a) Discounts for prompt payments will not be considered in the evaluation of offers. However, any offered discount will form a part of the award, and will be taken if payment is made within the discount period indicated in the offer by the offeror. As an alternative to offering a prompt payment discount in conjunction with the offer, offerors awarded contracts may include prompt payment discounts on individual invoices.

(b) In connection with any discount offered for prompt payment, time shall be computed from the date of the invoice. If the Contractor has not placed a date on the invoice, the due date shall be calculated from the date the designated billing office receives a proper invoice, provided the agency annotates such invoice with the date of receipt at the time of receipt. For the purpose of computing the discount earned, payment shall be considered to have been made on the date that appears on the payment check or, for an electronic funds transfer, the specified payment date. When the discount date falls on a Saturday, Sunday, or legal holiday when the Federal Government offices are closed and Government business is not expected to be conducted, payment may be made on the following business day.

(FAR 52.232-8)

I11.04 BANKRUPTCY (JUL 1995)

In the event the Contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary, the Contractor agrees to furnish, by certified mail or electronic commerce method authorized by the contract, written notification of the bankruptcy to the Contracting Officer responsible for administering the contract. This notification shall be furnished within five days of the initiation of the proceedings relating to bankruptcy filing. This notification shall include the date on which the bankruptcy petition was filed, the identity of the court in which the bankruptcy petition was filed, and a listing of Government contract numbers and contracting offices for all Government contracts against which final payment has not been made. This obligation remains in effect until final payment under this contract.

(FAR 52.242-13)

I27 GRATUITIES (APR 1984)

(a) The right of the Contractor to proceed may be terminated by written notice if, after notice and hearing, the agency head or a designee determines that the Contractor, its agent, or another representative--

(1) Offered or gave a gratuity (e.g., an entertainment or gift) to an officer, official, or employee of the Government; and

(2) Intended, by the gratuity, to obtain a contract or favorable treatment under a contract.

(b) The facts supporting this determination may be reviewed by any court having lawful jurisdiction.

(c) If this contract is terminated under paragraph (a) above, the Government is entitled--

(1) To pursue the same remedies as in a breach of the contract; and

(2) In addition to any other damages provided by law, to exemplary damages of not less than 3 nor more than 10 times the cost incurred by the Contractor in giving gratuities to the person concerned, as determined by the agency head or a designee. (This subparagraph (c)(2) is applicable only if this contract uses money appropriated to the Department of Defense.)

(d) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

(FAR 52.203-3)

I28.24 U.S. IMPORT TAX ON PETROLEUM (BULK) (DESC DEC 1980)

This clause is applicable to overseas f.o.b. origin contracts and to domestic f.o.b. origin contracts where product may be imported into the U.S.

The contract prices for any foreign refined product to be furnished hereunder do not include any U.S. Import Tax or Duty on petroleum. In the event that such a tax or duty may be imposed on product furnished under this contract, the U.S. Government shall be responsible for paying or claiming exemption from such taxes or duties, as appropriate.

(DESC 52.229-9F14)

I28.25 DUTY-FREE ENTRY - QUALIFYING COUNTRY END PRODUCTS AND SUPPLIES (MAY 1995)

(a) DEFINITIONS.

Qualifying country and **qualifying end products** have the meaning given in the BUY AMERICAN ACT AND BALANCE OF PAYMENTS PROGRAM clause of this contract.

(b) The requirements of this clause apply to this contract and subcontracts, including purchase orders, that involve supplies to be accorded duty-free entry, whether--

(1) Placed directly with a foreign concern as prime contract; or

(2) As a subcontract or purchase order under a contract placed with a domestic concern.

(c) Except as otherwise approved by the Contracting Officer, no amount is or will be included in the contract price for duty for--

(1) End items that are qualifying country end products; or

(2) Supplies (including without limitation, raw materials, components, and intermediate assemblies) produced or made in qualifying countries, that are to be incorporated in the end items to be delivered under this contract, provided that the end items are manufactured in the United States or in a qualifying country, except supplies imported into the United States before the date of this contract or, in the case of supplies imported by a first or lower tier subcontractor, before the date of the subcontract.

(d) The Contractor warrants that--

(1) All qualifying country supplies, for which duty-free entry is to be claimed, are intended to be delivered to the Government or incorporated in the end items to be delivered under this contract; and

(2) The Contractor will pay duty to the extent that such supplies, or any portion thereof (if not scrap or salvage) are diverted to nongovernmental use, other than as a result of a competitive sale made, directed, or authorized by the Contracting Officer.

(e) The Government agrees to execute duty-free entry certificates and to afford such assistance as appropriate to obtain the duty-free entry of qualifying country supplies for which the shipping documents bear the notation specified in paragraph (f) of this clause, except as the Contractor may otherwise agree.

(f) All shipping documents submitted to Customs, covering foreign end products or supplies for which duty-free entry certificates are to be issued in accordance with this clause, shall--

(1) Consign the shipments to the appropriate--

(i) Military department in care of the Contractor, including the Contractor's delivery address; or

(ii) Military installation; and

(2) Include the following information:

(i) Prime contract number and delivery order, if applicable;

(ii) Number of the subcontract/purchase order for foreign supplies, if applicable;

(iii) Identification of carrier;

(iv) The notation: UNITED STATES DEPARTMENT OF DEFENSE Duty-Free Entry to be claimed pursuant to Section XXII, Chapter 98, Subchapter VIII, Item No. 9808.00.30 of the Harmonized Tariff Schedule of the United

States. Upon arrival of shipment at the appropriate port of entry, District Director of Customs, please release shipment under 19 CFR Part 142 and notify Commander, Defense Contract Management Area Operations (DCMAO) New York, ATTN Customs Team, DCMDN-GNIC, 207 New York Avenue, Staten Island, NY 10305-5013, for execution of Customs Form 7501, 7501A, or 7506, and any required duty-free entry certificates. **(NOTE:** This notation shall be used only for direct shipments to a U.S. military installation. In cases where the shipment will be consigned to other than a military installation, e.g., a domestic contractor's plant, the shipping document notation shall be altered to insert the name and address of the Contractor, agent, or broker who will notify Commander, Defense Contract Management Area Operations (DCMAO) New York, for execution of the duty-free certificate.)

(v) Gross weight in pounds (if freight is based on space tonnage, state cubic feet in addition to gross shipping weight);

(vi) Estimated value in U.S. dollars; and

(vii) Activity Address Number of the contract administration office actually administering the prime contract, e.g., for DCMAO Dayton, DLA8DP.

(g) PREPARATION OF CUSTOMS FORMS.

(1) Except for shipments consigned to a military installation, the Contractor shall prepare, or authorize an agent to prepare, any customs forms required for the entry of foreign supplies in connection with DoD contracts into the United States, its possessions, or Puerto Rico. Submit the completed customs forms to the District Director of Customs with a copy to DCMAO NY for execution of any required duty-free entry certificates. Shipments consigned directly to a military installation will be released in accordance with Sections 10.101 and 10.102 of the U.S. Customs regulations.

(2) For shipments containing both supplies which are to be accorded duty-free entry and supplies which are not, the Contractor shall identify on the customs forms those items which are eligible for duty-free entry.

(h) The Contractor agrees--

(1) To prepare (if this contract is placed directly with a foreign supplier), or to instruct the foreign supplier to prepare, a sufficient number of copies of the bill of lading (or other shipping document) so that at least two of the copies accompanying the shipment will be available for use by the District Director of Customs at the port of entry;

(2) To consign the shipment as specified in (f) of this clause; and

(3) To mark the exterior of all packages as follows:

(i) "UNITED STATES GOVERNMENT, DEPARTMENT OF DEFENSE"; and

(ii) The activity address number applicable to the contract administration office actually administering the prime contract.

(i) The Contractor agrees to notify the Contracting Officer administering the prime contract in writing of any purchase under the contract of qualifying country supplies to be accorded duty-free entry that are to be imported into the United States for delivery to the Government or for incorporation in end items to be delivered to the Government. The notice shall be furnished to the contract administration office immediately upon award to the qualifying country supplier. The notice shall contain--

(1) Prime Contractor's name, address, and CAGE code;

(2) Prime contract number, and the delivery order number, if applicable;

(3) Total dollar value of the prime contract or delivery order;

(4) Expiration date of the prime contract or delivery order;

(5) Foreign supplier name and address;

(6) Number of the subcontract/purchase order for foreign supplies;

(7) Total dollar value of the subcontract for foreign supplies;

(8) Expiration date of the subcontract for foreign supplies;

(9) List of items purchased; and

(10) Certification by the purchaser of foreign supplies as follows:

I certify that all supplies for which duty-free entry is to be claimed are intended to be delivered to the Government or incorporated in the end items to be delivered under this contract, and that duty shall be paid by the Contractor to the extent that such supplies, or any portion (if not scrap or salvage) are diverted to nongovernmental use other than as a result of a competitive sale made, directed, or authorized by the Contracting Officer;

(11) The qualifying country; and

(12) The scheduled delivery date(s).

(j) This clause does not apply to purchases of qualifying country supplies in connection with this contract if--

(1) The qualifying country supplies are identical in nature to supplies purchased by the Contractor or any subcontractor in connection with its commercial business; and

(2) It is not economical or feasible to account for such supplies so as to ensure that the amount of the supplies for which duty-free entry is claimed does not exceed the amount purchased in connection with this contract.

(k) The Contractor agrees to insert the substance of this clause, including this paragraph (k), in all subcontracts for supplies. Each subcontract shall require the subcontractor to identify this contract by including its contract number on any shipping documents submitted to Customs covering supplies for which duty-free entry is to be claimed pursuant to this clause. The Contractor also agrees that the name and address of the Contracting Officer administering the prime contract (name and address of the contract administration office cognizant of the prime contract and its activity address number (Appendix G of the Defense FAR Supplement)) and the information required by subparagraphs (i)(1), (2), and (3) of this clause will be included in applicable subcontracts.

(DFARS 252.225-7009)

I28.28 SUPPLIES TO BE ACCORDED DUTY-FREE ENTRY (DEC 1991)

In accordance with paragraph (a) of the DUTY-FREE ENTRY clause and/or paragraph (b) of the DUTY-FREE ENTRY - QUALIFYING COUNTRY END PRODUCTS AND SUPPLIES clause of this contract, the following supplies are accorded duty-free entry:

(DFARS 252.225-7008)

I33 INTEREST (JUN 1996)

(a) Except as otherwise provided in this contract under a PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA clause or a COST ACCOUNTING STANDARDS clause, all amounts that become payable by the Contractor to the Government under this contract (net of any applicable tax credit under the Internal Revenue Code (26 U.S.C. 1481) shall bear simple interest from the date due until paid unless paid within 30 days of becoming due. The interest rate shall be the interest rate established by the Secretary of the Treasury as provided in Section 12 of the Contract Disputes Act of 1978 (Public Law 95-563), which is applicable to the period in which the amount becomes due, as provided in paragraph (b) of this clause, and then at the rate applicable for each six-month period as fixed by the Secretary until the amount is paid.

(b) Amounts shall be due at the earliest of the following dates:

(1) The date fixed under this contract.
 (2) The date of the first written demand for payment consistent with this contract, including any demand resulting from a default termination.

(3) The date the Government transmits to the Contractor a proposed supplemental agreement to confirm completed negotiations establishing the amount of debt.

(4) If this contract provides for revision of prices, the date of written notice to the Contractor stating the amount of refund payable in connection with a pricing proposal or a negotiated pricing agreement not confirmed by contract modification.

(c) The interest charge made under this clause may be reduced under the procedures prescribed in 32.614-2 of the Federal Acquisition Regulation in effect on the date of this contract.

(FAR 52.232-17)

I81 INDEFINITE QUANTITY (OCT 1995)

(a) This is an indefinite-quantity contract for the supplies or services specified, and effective for the period stated, in the Schedule. The quantities of supplies and services specified in the Schedule are estimates only and are not purchased by this contract.

(b) Delivery or performance shall be made only as authorized by orders issued in accordance with the ORDERING clause. The Contractor shall furnish to the Government, when and if ordered, the supplies or services specified in the Schedule up to and including the quantity designated in the schedule as the "maximum." The Government shall order at least the quantity of supplies or services designated in the Schedule as the "minimum."

(c) Except for any limitations on quantities in the ORDER LIMITATIONS clause or in the Schedule, there is no limit on the number of orders that may be issued. The Government may issue orders requiring delivery to multiple destinations or performance at multiple locations.

(d) Any order issued during the effective period of this contract and not completed within that period shall be completed by the Contractor within the time specified in the order. The contract shall govern the Contractor's and Government's rights and obligations with respect to that order to the same extent as if the order were completed during the contract's effective period; PROVIDED, that the Contractor shall not be required to make any deliveries under this contract after 30 days after the expiration of the ordering period. (FAR 52.216-22)

I86.12 DELIVERY-ORDER LIMITATIONS - SCOPE OF CONTRACT (BULK) (DESC JUL 1994)

(a) The Government agrees to purchase, during the period of this contract and in accordance with the terms of this contract, at least a quantity (or quantities) of product that, under the contract terms, will be not less than 75 percent of the total original estimated contract volume. The Government may satisfy this obligation by purchasing against any or all of the contract line items.

(b) If, under a single solicitation, contract line items are not all awarded at the same time, then, for purposes of this clause, the above mentioned total original estimated contract volume shall be that of the contract after award has been made of all items.

(c) During the period of this contract it may occur that, for administrative convenience, the Government will add to this contract by contract modification additional contract line items being awarded to the Contractor pursuant to a different solicitation. If this occurs, then the Government's original purchase obligation under this contract shall remain unchanged and will in no way extend to the new contract line items. Instead, the Government agrees to an additional purchase obligation, namely, to purchase in accordance with the terms of the contract, during the remaining period of the contract, at least a quantity (or quantities) of any or all of the new line items that, under the contract terms, will be the minimum stated in the solicitation incorporated into the contract modification.

(d) Notwithstanding the provisions of the INDEFINITE QUANTITY clause--

(1) On the final order placed for each product from each refinery source calling for delivery into or by means of tanker, barge, or pipeline, the Government shall be entitled to order, and if ordered, the Contractor shall be required to furnish up to 50,000 barrels over what the Government would otherwise be entitled to lift. However, in no event shall this additional quantity exceed the monthly quantity as defined in the DELIVERY AND CONTRACT PERIODS clause

(2) The Contractor may, at its option, make deliveries subsequent to 30 days after the expiration of the ordering period, if requested by the Government.

(e) If this contract provides for delivery of the same grade of fuel at more than one location, the Ordering Officer may order and the Contractor may, at its option, furnish more than the quantity specified for any one location; PROVIDED, however, that in no event shall an Ordering Officer be entitled to order, nor shall the Contractor be required or permitted to deliver, if ordered, a quantity of any one grade of fuel that, in the aggregate, would be in excess of the total quantity of such grade of fuel specified in this contract. Nothing contained in this paragraph (e) shall prohibit the overage permitted pursuant to (d) above.

(f) The scope of this contract does not include--

(1) Alteration to the specification that would require significant reconfiguration of refinery design, or significant modification of current and planned refinery operations;

(2) Alteration in method of shipment that would result in significant disruption of current and planned refinery operations; and

(3) Alteration of the place of delivery, under f.o.b. origin contracts, that would require delivery from a refinery other than the one(s) specified in the Contractor's offer.

I179 ALLOCATION (DESC JUL 1995)

(a) **REDUCED SUPPLIES.** If, for any cause beyond the control and without the fault or negligence of the Contractor, the total supply of crude oil and/or refined petroleum product is reduced below the level that would have otherwise been available to the Contractor, the Contractor allocates to its regular customers its remaining available supplies of crude oil or product, then the Contractor may also allocate to the U.S. Government supplies to be delivered under this contract, PROVIDED--

(1) Prompt notice of and evidence substantiating the necessity to allocate and describing the allocation rate for all the Contractor's customers are submitted to the Contracting Officer;

(2) Allocation among the Contractor's regular customers is made on a fair and reasonable basis (except where allocation on a different basis is required by a governmental authority, agency, or instrumentality); and

(3) Reduction of the quantity of product due the Government under this contract shall not exceed the pro rata amount by which the Contractor reduces delivery to its other customers similarly situated.

(b) **ADDITIONAL SUPPLIES.** If, after the event causing the shortage of crude oil and/or refined petroleum product as described in (a) above, additional supply becomes available to the Contractor, the Contracting Officer may choose any one of the following three possible courses of action:

(1) Accept an updated pro rata reduction as outlined in (a) above;

(2) Determine that continuance of the contract with the quantities as originally stated in the Schedule is in the best interests of the Government; or

(3) Terminate the contract as permitted in (d) below.

(c) **REDUCED DELIVERIES.** If the Contractor believes that a law, regulation, or order of a foreign government requires the Contractor to deliver less than the quantity set forth in the Schedule for any location within that country, the Contractor may request allocation in accordance with (a) above. In addition to the criteria in (a) above, the Contractor's request shall cite--

(1) The law, regulation, or order, furnishing copies of the same;

(2) The authority under which it is imposed; and

(3) The nature of the Government's waiver, exception, and enforcement procedure.--

The Contracting Officer will promptly review the matter and advise the Contractor whether or not the need to allocate has been substantiated. If the law, regulation, or order requiring the Contractor to reduce deliveries ceases to be effective, the Contractor shall resume deliveries in accordance with the original Schedule.

(d) If, as a result of reduced deliveries permitted by (a), (b), or (c) above, the Contracting Officer decides that continuation of this contract is no longer in the best interests of the Government, the Government may terminate this contract or any quantity thereunder, by written notice, at no cost to the Government. However, the Government shall not be relieved of its obligation to pay for supplies actually delivered to and accepted by it.

(e) Except as otherwise stated in (b) above, any volumes omitted pursuant to (a) or (b) above shall be deleted from this contract, and the Contractor shall have no continuing obligation, so far as this contract is concerned, to make up such omitted supplies.

(f) For Posts, Camps, and Stations contracts, Department of Energy priority orders and allocation regulations will take precedence over any conflicting provisions of this clause.

(g) For Bulk Fuels contracts, the provisions contained in (a) above shall be inoperative when the Secretary of Defense makes a written determination that it is essential to the National Defense that the Defense Fuel Supply Center be provided contract volumes exceeding the amount of product to which it would otherwise be entitled.

(DESC 52.249-9F01)

I186 PROTECTION OF GOVERNMENT PROPERTY AND SPILL PREVENTION (DFSC MAY 1978)

(a) The Contractor shall use reasonable care to avoid damaging or contaminating existing buildings, equipment, asphalt pavement, soil, or vegetation (such as trees, shrubs, and grass) on the Government installation. If the Contractor fails to use reasonable care and damages or contaminates any such buildings, equipment, asphalt pavement, soil or vegetation, or other Government facilities, he shall replace the damaged items or repair the damage at no expense to the Government and to the satisfaction of the Government. Further, if, as a result of the failure of the Contractor to comply with the requirements of this contract, Government buildings, equipment, asphalt pavement, soil or vegetation, or other Government facilities become damaged or destroyed, the Contractor shall replace or repair the damage at no expense to the Government, and to the satisfaction of the Government. Should the Contractor fail or refuse to make such repairs or replacements, the Government may have the said repairs or replacement accomplished, and the Contractor shall be liable for the cost thereof which may be deducted from the amounts which become due under this contract. Informal agreement with the Contractor upon replacement,

repairs, or costs to be deducted shall first be attempted by the Installation Commander or Ordering Officer. If disagreement persists, the matter shall be referred to the Contracting Officer. Unless approved by the Contracting Officer, no costs shall be deducted from amounts due or owing without the Contractor's consent.

(b) The Contractor shall take all measures as required by law to prevent oil spills (including, but not limited to, any spilling, leaking, pumping, pouring, emitting, emptying or dumping into or onto any land or water). In the event the Contractor spills any oil (including, but not limited to, gasoline, diesel fuel, fuel oil, or jet fuel), the Contractor shall be responsible for the containment, cleanup, and disposal of the oil spilled. Should the Contractor fail or refuse to take the appropriate containment, cleanup, and disposal actions, the Government may do so itself. The Contractor shall reimburse the Government for all expenses incurred including fines levied by Federal, State, or local Governments.

(DFSC 52.223-9F05)

I211 ORDERING (OCT 1995)

(a) Any supplies and services to be furnished under this contract shall be ordered by issuance of delivery orders or task orders by the individuals or activities designated in the Schedule. Such orders may be issued from date of award through the period specifically authorized in the contract.

(b) All delivery orders or task orders are subject to the terms and conditions of this contract. In the event of conflict between a delivery order or task order and this contract, the contract shall control.

(c) If mailed, a delivery order or task order is considered "issued" when the Government deposits the order in the mail. Orders may be issued orally by facsimile, or by electronic commerce methods only if authorized in the Schedule.

(FAR 52.216-18)

I211.02 ORDERING (DESC JAN 1991)

(d) For product funded and paid for by the Defense Logistics Agency, the Contractor will be furnished with a document entitled "Source Identification and Ordering Authorization." This document is for planning purposes only and does not constitute an order under the contract. This document will also indicate the activity(ies) authorized to place orders under this contract. This document does not in any manner modify or limit Contractor's obligation to deliver pursuant to properly placed orders as provided in the contract.

(DESC 52.216-9F12)

SECTION L

L2.11-2 FACSIMILE PROPOSALS (OCT 1997)

(a) **DEFINITION. Facsimile proposal**, as used in this provision, means a proposal, revision, or modification of a proposal, or withdrawal of a proposal that is transmitted to and received by the Government via facsimile machine.

(b) Offerors may submit facsimile proposals as responses to this solicitation. Facsimile proposals are subject to the same rules as paper proposals.

(c) The telephone number of receiving facsimile equipment is **(703) 767-8506**.

(d) If any portion of a facsimile proposal received by the Contracting Officer is unreadable to the degree that conformance to the essential requirements of the solicitation cannot be ascertained from the document—

(1) The Contracting Officer immediately shall notify the offeror and permit the offeror to resubmit the proposal;

(2) The method and time for resubmission shall be prescribed by the Contracting Officer after consultation with the offeror; and

(3) The resubmission shall be considered as if it were received at the date and time of the original unreadable submission for the purpose of determining timeliness, provided the offeror complies with the time and format requirements for resubmission prescribed by the Contracting Officer.

(e) The Government reserves the right to make award solely on the facsimile proposal. However, if requested to do so by the Contracting Officer, the apparently successful offeror promptly shall submit the complete original signed proposal.
(FAR 52.215-5)

L5.01 AGENCY PROTESTS (DESC AUG 1997) - DLAD

(a) Parties protesting this procurement may file a protest (1) with the Contracting Officer, (2) with the General Accounting Office, or (3) pursuant to Executive Order 12979, with the DESC Commodity Business Unit Director.

(b) Protests filed with the Director, DESC Commodity Business Unit, pursuant to Executive Order 12979 should be addressed to the Contracting Officer, but should clearly state that they are an “Agency Level Protest under Executive Order 12979.” The Contracting Officer will forward the protest to the DESC Director of the appropriate commodity business unit for a decision. (This process allows for a higher level decision on the initial protest, it is not a review of a Contracting Officer’s decision on a protest filed with the Contracting Officer.)

(c) Absent a clear indication of the intent to file an agency level protest under Executive Order 12979, protests will be presumed to be protests to the Contracting Officer.

(d) To the maximum extent possible, all parties shall use their best efforts to resolve concerns at the Contracting Officer level through frank and open discussions.

(DLAD 52.233-9000, revised)

L65.10 REQUIREMENTS FOR COST OR PRICING DATA AND CLAIM FOR EXEMPTION (DFSC MAR 1997)

(a) **EXCEPTIONS FROM COST OR PRICING DATA.** In lieu of submitting cost or pricing data, offerors may submit a written request for exception by submitting the market (commercial sales) data information described in the following subparagraphs. It is incumbent upon the offeror to provide sufficient commercial sales data to demonstrate that an exemption exists and should be granted by the Contracting Officer. The Contracting Officer may require additional supporting information, but only to the extent necessary to determine whether an exception should be granted, and whether the price is fair and reasonable.

(b) **REQUIREMENTS FOR COST OR PRICING DATA.**

(1) If the offeror is not granted an exception from the requirement to submit cost or pricing data, the following applies:

(i) The offeror shall submit cost or pricing data on Standard Form (SF) 1411, Contract Pricing Proposal Cover Sheet (Cost or Pricing Data Required), with supporting attachments prepared in accordance with Table 15-2 of FAR 15.804-6(b)(2).

(ii) As soon as practicable after agreement on price, but before contract award (except for unpriced actions such as letter contracts), the offeror shall submit a Certificate of Current Cost or Pricing Data, as prescribed by FAR 15.804-4.

(iii) By submitting information to qualify for an exception, an offeror is not representing that this is the only exception that may apply.

(c) COMMERCIAL SALES DATA.

(1) Commercial sales are defined as sales to the general public as distinct from sales to the Federal Government. Commercial sales data submissions should not be restricted to industrial and commercial accounts but should include wholesale classes (bulk, resellers, jobbers, and dealers) and retail and bulk sales to airlines. The following commercial sales data, as a minimum, are required:

(i) By refinery and class of customer, total gallons sold to the general public, the weighted average price, and payment terms (e.g., Net 30 days) for this volume for the period of _____.

(ii) The price, payment terms, quantity, and date of the lowest price commercial sale for the period of _____.

(iii) The weighted average price, payment terms, and total sales volumes per customer for the three largest commercial customers for the period of _____.

(2) Commercial sales data should be submitted on an f.o.b. Refinery or Terminal basis for each refined product offered.

(3) Acceptable commercial sales data for the refined products being procured are set forth below.

(4) If the offeror believes its sales quantities and/or prices for the specified period were not representative during that period, it is additionally requested that the offeror provide the indicated sales data for the weekly periods preceding and following the period specified herein and an explanation of the reason for believing the requested information is not representative.

(5) For each military product offered (left column), sales data for commercial products (right column) are requested.

Military Product Offered

Commercial Product/Class of trade

(Fill-in options to be selected by buyer at time of solicitation are as follows:)

JP4	Regular gasoline sales to wholesale/jobber/bulk accounts AND unleaded gasoline sales to wholesale/jobber/bulk accounts, AND Jet A and/or Jet A-1 sales to airlines. If substantial Jet A and/or Jet A1 sales are not made, submit middle distillate (No. 1 FO, No. 2 FO, DF1, DF2 and Kerosene) sales to wholesale/jobber/bulk accounts.
F76	High Sulfur No. 2 FO, DF2, marine gas oil, and F76 sales to wholesale/jobber/bulk accounts.
JP5/JP8	Jet A and/or Jet A1 sales to airlines.
Other	_____

(6) DFSC may use the commercial sales data to develop a market price range for the refined products being procured. Commercial sales data submitted will be held confidential if so requested. Commercial sales data should be submitted directly to the Contracting Officer prior to the closing date of this solicitation.

(d) Following is a sample format which the offeror may use to submit commercial sales data. If this format is not suitable, the offeror's own format may be submitted. Alternatively, the EIA 782A, which shows monthly information, is an acceptable format.

DFSC COMMERCIAL SALES DATA FORM

FOR THE PERIOD OF _____

COMPANY NAME:

COMMERCIAL SALES DATA: THE COMMERCIAL SALES DATA ENTERED BELOW SHOULD REPRESENT SALES ON AN F.O.B. REFINERY OR TERMINAL BASIS TO WHOLESALE CUSTOMERS AND RETAIL SALES TO AIRLINES EXCLUSIVE OF SALES TO THE GOVERNMENT.

COMMERCIAL PRODUCT:
_____REFINERY OR TERMINAL WHERE COMMERCIAL SALES OCCURRED:
_____CLASS OF CUSTOMER (WHOLESALE, JOBBER, BULK, ETC.):

TOTAL PERIOD COMMERCIAL SALES VOLUMES: _____ (GALLONS),
WEIGHTED AVERAGE PRICE FOR THIS VOLUME: _____ (PER GALLON),
AND PAYMENT TERMS _____.

INDICATE PRICE, PAYMENT TERMS, QUANTITY, AND DATE OF THE LOWEST PRICE COMMERCIAL SALE FOR THE PERIOD SPECIFIED ABOVE.

PER GALLON: _____ PAYMENT TERMS: _____

GALLONS: _____ DATE OF SALE: _____

LOW PRICE _____ QUANTITY _____

LIST TOTAL MONTHLY SALES TO THE THREE LARGEST VOLUME COMMERCIAL CUSTOMERS AND PAYMENT TERMS FOR THE PERIOD SPECIFIED ABOVE.

CUSTOMER	WEIGHTED AVG PRICE PER GALLON	PAYMENT TERMS	TOTAL QUANTITY (GALLONS)
LARGEST	_____	_____	_____
2ND LARGEST	_____	_____	_____
3RD LARGEST	_____	_____	_____

NOTE: THE COMMERCIAL SALES DATA ON REFINED PRODUCT PRICES AND SALES VOLUME ARE NEEDED FOR EACH COMMERCIAL PRODUCT F.O.B. REFINERY OR TERMINAL WHICH SERVES AS THE BASIS FOR THE OFFEROR'S CLAIM FOR EXEMPTION. THIS FORM MAY BE DUPLICATED AS MANY TIMES AS IS NECESSARY TO ACCOMMODATE THE VARIOUS REFINED PRODUCTS AND POINTS OF COMMERCIAL SALE BEING REPORTED.

(DFSC 52.215-9F30)

L74 TYPE OF CONTRACT (APR 1984)

The Government contemplates award of a indefinite quantity, fixed price with economic price adjustment contract resulting from this solicitation.

(FAR 52.216-1)

L115 F.O.B. ORIGIN AND/OR F.O.B. DESTINATION EVALUATION (APR 1984)

Offers are invited on the basis of both f.o.b. origin and f.o.b. destination, and the Government will award on the basis the Contracting Officer determines to be most advantageous to the Government. An offer on the basis of f.o.b. origin only or f.o.b. destination only is acceptable, but will be evaluated only on the basis submitted.

(FAR 52.247-45)

L203 HANDCARRIED OFFERS AND EXPRESS DELIVERY SERVICE (DESC JAN 1998)

(a) Any handcarried offer must be received at the depository indicated on the Standard Form (SF) 33 or SF 1449 of this solicitation by the date and time specified for receipt of offers. Evidence to establish the time of receipt at the Government installation is the time/date stamp of that installation on the solicitation wrapper or other documentary evidence of receipt maintained by the installation.

(b) Offers delivered by an express delivery service will be considered "handcarried." Therefore, bidders/offerors that respond to this solicitation using an express delivery service must ensure that the express delivery service "handcarries" the offer to the depository indicated on the SF 33 or SF 1449.

(c) The term **express delivery service** does not include Express Mail delivered by the United States Postal Service. Express Mail will be considered "mail" under the LATE SUBMISSIONS, MODIFICATIONS, AND WITHDRAWALS OF BIDS provision or the Late Offers paragraph of the INSTRUCTIONS TO OFFERORS - COMMERCIAL ITEMS or INSTRUCTIONS TO OFFERORS - COMPETITIVE ACQUISITIONS provision.

(DESC 52.252-9F01)

SECTION M

M2.11 EVALUATION - COMMERCIAL ITEMS (JAN 1999)

(a) The Government will award a contract resulting from this solicitation to the responsible offeror whose offer conforming to this solicitation will be most advantageous to the Government, price and other factors considered. The following factors shall be used to evaluate offers:

The government will award the contract which will result in the lowest overall cost to the Government in accordance with the other evaluation clauses contained in the solicitation and ability to comply with notes under Clause B14.04

Technical and past performance, when combined, are approximately equal to cost or price.

(b) **OPTIONS.** The Government will evaluate offers for award purposes by adding the total price for all options to the total price for the basic requirement. The Government may determine that an offer is unacceptable if the option prices are significantly unbalanced. Evaluation of options shall not obligate the Government to exercise the option(s).

(c) A written notice of award or acceptance of offer, mailed or otherwise furnished to the successful offeror within the time for acceptance specified in the offer, shall result in a binding contract without further action by either party. Before the offer's specified expiration time, the Government may accept an offer (or part of an offer), whether or not there are negotiations after its receipt, unless a written notice of withdrawal is received before award.

(FAR 52.212-2)

M19.05 EVALUATION OF OFFERS SUBJECT TO ECONOMIC PRICE ADJUSTMENT (DOMESTIC BULK) (DESC JAN 1998)

(a) Offer prices received by DESC effective at the date and time set for Final Revised Proposals will be used for evaluation of offers. FOR EVALUATION PURPOSES ONLY, these offered prices will not be adjusted to reflect any increase or decrease that may occur under the provisions of the ECONOMIC PRICE ADJUSTMENT (EPA) clause(s).

(b) Offered prices will be subject to all terms and conditions of the EPA clause(s).

(c) (1) For all products, the award document will contain one price for each item. This price will be identified as the **base unit price**. The **base unit price** is the Final Revised price which is subject to adjustment when the ADJUSTING MARKET PRICE becomes available.

(2) For all products, awards will be made at the Final Revised price, which is subject to adjustment at the start of the delivery period.

(DESC 52.215-9F17)

M55 CONVERSION FACTORS (DESC APR 1998)

(a) This provision applies to all products except lubricating oils.

(b) The offeror should use conversion factors that reflect its product characteristics and submit prices and transportation rates in the requested units. In the event prices or transportation rates are not submitted in the requested units, the following conversion factors based on an assumed density for the product will be used by DESC in the evaluation of the offer.

(1) TABLE I.

One Imperial Gallon	=	1.20095 U.S. Gallons at the same temperature
One Liter	=	0.264172 U.S. Gallons at the same temperature
One Cubic Meter (1,000 liters)	=	6.2898 Barrels at the same temperature
One U.S. Barrel	=	42 U.S. Gallons at the same temperature
One Kilometer	=	0.62137 Miles
One Mile	=	1.6093 Kilometers
One Nautical Mile	=	1.15 Statute Miles

(2) TABLE II.

PRODUCT	DENSITY TYPICAL							
	@15°C	@60°F						
	Kg/m ³	API	BARRELS PER METRIC TON	GALLONS PER METRIC TON	LITERS PER METRIC TON	BARRELS PER LONG TON	GALLONS PER LONG TON	
<u>TON</u>								<u>LONG</u>
AUTOMOTIVE								
GASOLINE (ALL)		744.9	58.4	8.462	355.42	1342.46	8.598	361.12
AVIATION								
GASOLINE (ALL)	716.3	66.0	8.801	369.66	1396.06	8.943	375.59	
<u>BURNER FUEL OILS</u>								
FUEL OIL NO. 1	812.8	42.5	7.753	325.61	1230.31	7.877	330.83	
FUEL OIL NO. 2	846.9	35.5	7.440	312.49	1180.78	7.560	317.51	
FUEL OIL NO. 4	914.2	23.2	6.891	289.44	1093.85	7.002	294.09	
FUEL OIL								
NO. 5 LIGHT	954.2	16.7	6.602	277.27	1048.00	6.707	281.71	
FUEL OIL NO.								
5 HEAVY	960.7	15.7	6.557	275.39	1040.91	6.662	279.81	
FUEL OIL NO. 6	976.6	13.3	6.450	270.90	1023.96	6.554	275.25	
<u>DIESEL FUELS</u>								
DFA	810.5	43.0	7.775	326.54	1233.81	7.900	331.79	
DF1	818.9	41.2	7.695	323.17	1122.15	7.818	328.36	
DF2/GAS OIL	839.3	37.0	7.507	315.30	1191.47	7.628	320.36	
<u>INTERMEDIATE FUEL OILS</u>								
IFO 60	947.2	17.8	6.651	279.33	1055.74	6.757	283.81	
IFO 180	965.3	15.0	6.526	274.09	1035.95	6.630	278.48	
IFO 220	967.9	14.6	6.508	273.34	1033.16	6.612	277.72	
IFO 380	973.9	13.7	6.468	271.65	1026.68	6.572	276.01	
<u>JET FUELS</u>								
JP4/JET B	764.6	53.5	8.243	346.22	1307.87	8.376	351.78	
JP5	819.9	41.0	7.686	322.80	1219.66	7.809	327.98	
JP8/JET A1	805.9	44.0	7.820	328.42	1240.85	7.945	333.69	
JET A	814.2	42.2	7.739	325.04	1228.20	7.863	330.26	
KEROSESINES (ALL)								
MARINE GAS OIL		815.2	42.0	7.730	324.68	1226.69	7.854	329.88
NAPHTHA	731.1	839.3	37.0	7.507	315.30	1191.47	7.628	320.36
NAVAL DISTILLATE		62.0	8.623	362.16	1367.80	8.761	367.97	
FUEL (F76)								
AND DFW (F75)	844.3	36.0	7.463	313.43	1184.41	7.582	318.46	

(3) **TABLE III.**

<u>PRODUCT</u>	<u>ASSUMED DENSITY</u> <u>20 deg C/20 deg C</u>		
	<u>g/mL</u>	<u>lb/gal</u>	<u>Kg/gal</u>
FSII DIEGME	1.025	8.561	3.884

(DESC 52.215-9F05)

M72 EVALUATION OF OFFERS (EXCEPTIONS/DEVIATIONS) (DESC APR 1997)

- (a) Offerors are expected to submit offers in full compliance with all terms and conditions of this solicitation.
- (b) Any exceptions/deviations to the terms and conditions of this solicitation will result in the Government's determination that either--
- (1) The exception/deviation is material enough to warrant rejection of the offer in part or in full; or
 - (2) The exception/deviation is acceptable.
- (c) If the exception/deviation is in reference to a specification contained in this solicitation and the offeror cannot supply product fully meeting the required specification(s), the product can be offered for consideration provided the offeror clearly indicates, by attachment to the offer, the extent to which any product offered differs from the required specification(s).
- (d) If the exception/deviation is in reference to a particular test, inspection, or testing method contained in this solicitation, the offer can be considered provided the offeror clearly indicates, by attachment to the offer, the extent to which its offer differs from those requirements.
- (e) If the exception/deviation is determined acceptable, offered prices may be adjusted, for evaluation purposes only, by the Government's best estimate of the quantitative impact of the advantage or disadvantage to the Government that might result from making an award under those circumstances.

M74 USE OF DFSP BY COMMERCIAL SUPPLIER OFFERING PRODUCT UNDER DESC SOLICITATION (DESC AUG 1983)

DESC reserves the right to accept or reject offers that require movement of product through a Defense Fuel Support Point to effect tanker loading. Rejection may be based on economics, detrimental logistical impact on the Government, or other good cause.

(DESC 52.252-9F02)

SEGMENT II

This segment applies to both domestic and foreign concerns to the extent that work is performed under this contract within the United States or outside the United States by employees recruited within the United States.

SECTION I (SEGMENT II)**I28.01 FEDERAL, STATE, AND LOCAL TAXES (DESC NOV 1993) (DEVIATION)**

(a) As used in this clause--

"Contract date" means the date set for bid opening or, if this is a negotiated contract or a modification, the date set for best and final offers.

"All applicable Federal, State, and local taxes and duties" means all taxes and duties that the taxing authority, including Puerto Rico and other possessions of the United States, are imposing and collecting on the transactions or property covered by this contract pursuant to written ruling or regulation in effect on the contract date.

"After-imposed tax" means any new or increased Federal, State, or local excise tax or duty, except social security or other employment taxes, on the transactions or property covered by this contract that the Contractor is required to pay or bear the burden of as the result of legislative, judicial, or administrative action taking effect after the contract date.

"After-relieved tax" means any amount of Federal, State, or local excise tax or duty, except social security or other employment taxes, that would otherwise have been payable on the transactions or property covered by this contract, but which the Contractor is not required to pay or bear the burden of, or for which the Contractor obtains a refund or drawback, as the result of legislative, judicial, or administrative action taking effect after the contract date.

(b) The contract price includes all applicable Federal, State, or local taxes and duties, except as may be otherwise provided. (For petroleum contracts, see the FEDERAL, STATE, AND LOCAL TAXES EXCLUDED FROM CONTRACT PRICE clause.)

(c) The contract price shall be increased by the amount of any after-imposed tax if the Contractor states in writing that the contract price does not include any contingency for such tax.

(d) The contract price shall be decreased by the amount of any after-relieved tax.

(e) The contract price shall also be decreased by the amount of any excise tax or duty, except social security or other employment taxes, that the Contractor is required to pay or bear the burden of, or does not obtain a refund of, through the Contractor's fault, negligence, or failure to follow instructions of the Contracting Officer.

(f) The Contractor shall promptly notify the Contracting Officer of all matters relating to any excise tax or duty that reasonably may be expected to result in either an increase or decrease in the contract price and shall take appropriate action as the Contracting Officer directs.

(g) The Government shall, without liability, furnish evidence appropriate to establish exemption from any Federal, State, or local tax when the Contractor requests such evidence and a reasonable basis exists to sustain the exemption. (DESC 52.229-9F02)

I28.02-1 FEDERAL, STATE, AND LOCAL TAXES/FEES EXCLUDED FROM CONTRACT PRICE (DESC AUG 1997)

(a) **FEDERAL EXCISE TAXES EXCLUDED.** All contract prices for fuel and oils furnished under this contract exclude Federal Excise Taxes (FET). The taxes should be handled on the Contractor's invoices as follows:

(1) **MOTOR GASOLINE/GASOHOL.** The FET should be included on the Contractor's invoice as a separate item. The following FET will apply:

FET PER GALLON

\$0.184
\$0.1532
\$0.1424
\$0.130

PERCENTAGE OF ALCOHOL

0.0% up to but not including 5.7%
5.7% up to but not including 7.7%
7.7% up to but not including 10%
10% and above

(2) **AVIATION GASOLINE.** The manufacturer's FET of \$0.194 per gallon should not be included on the Contractor's invoice since all fuel is intended for exempt uses.

I28.02-1 CONT'D

(3) **RESIDUAL FUEL OIL.** There is no FET on residual fuel oil.

(4) **DIESEL FUEL.**

(i) **UNDYED DIESEL FUEL.** The FET of \$0.244 per gallon **SHOULD BE INCLUDED** on the Contractor's invoice as a separate item.

(ii) **DYED DIESEL FUEL.** The FET of \$0.244 per gallon **SHOULD NOT BE INCLUDED** on the Contractor's invoice since all dyed diesel fuel may be used only for tax exempt purposes.

(iii) **F76.** The FET of \$0.244 per gallon **SHOULD NOT BE INCLUDED** on the Contractor's invoice as a separate item for F76 since F76 is excluded from the definition of diesel fuel under Internal Revenue Service regulation 26 CFR Section 48.4081-1.

(5) **JET FUEL.** The FET of \$0.219 per gallon should not be included on the Contractor's invoice since all fuel is intended for exempt uses. **A Contractor not permitted by IRS regulations to sell fuel tax free should state that in its offer.**

(b) **STATE AND LOCAL TAXES EXCLUDED.** All contract prices exclude State and local excise taxes on fuels (including gasoline taxes, motor fuel taxes, diesel fuel taxes, special fuel taxes, aircraft fuel taxes, jet fuel taxes, heating oil taxes, kerosene taxes, lubricating oil taxes, and naphtha, solvent, benzol, and benzine taxes). Any applicable taxes (for which no exemption applies) should be included on the Contractor's invoice as a separate item in accordance with the terms of this contract.

(c) **CALIFORNIA SALES AND USE TAX.** All contract prices exclude the California State Sales and Use Tax.

(d) **ENVIRONMENTAL AND OIL SPILL TAXES.** Unless an exemption applies, all contract prices **INCLUDE** State and local environmental and oil spill taxes and inspection fees.

(e) **INSPECTION FEES.** Unless an exemption applies, all contract prices **INCLUDE** State and local inspection fees.

(f) **REIMBURSEMENT.** The Government will reimburse the Contractor for the amount of any tax specifically excluded from the contract price pursuant to this clause if no exemption applies.

(g) **LICENSES.** Federal, State, and local licenses or other activities necessary to establish Contractor's entitlement to do business or to tax exemption for transactions under this contract are the responsibility of the Contractor. Failure to obtain appropriate licenses or to follow required procedures shall preclude the reimbursement of taxes which would otherwise be exempt.

(DESC 52.229-9F03)

I28.03-1 TAX EXEMPTION CERTIFICATES (DESC MAR 1989)

(a) **FEDERAL EXCISE TAXES.** Contractor's request for tax exemption certificates covering any Federal excise tax excluded from the contract price pursuant to the terms of this contract shall be forwarded with Contractor's invoices or as otherwise indicated by the Ordering Officer.

(b) **STATE AND LOCAL TAXES.** Contractor's requests for tax exemption certificates covering any State and local tax excluded from the **FEDERAL, STATE, AND LOCAL TAXES EXCLUDED FROM CONTRACT PRICE** clause shall be forwarded with Contractor's invoices or as otherwise indicated by the Ordering Officer.

(c) **GOVERNMENT OPTION TO DEDUCT TAX AND FURNISH TAX EXEMPTION CERTIFICATES.** If this contract provides that the Contractor is to invoice for the Federal tax, the supplies to be furnished under such item at the time this contract is entered into are generally intended for a purpose for which tax exemption cannot be claimed. However, in instances where the invoice price for any item includes the excise tax and tax exemption can be claimed, the applicable tax may be deducted from the order or the invoice by the Government and a tax exemption certificate furnished in lieu of paying the tax. Tax exemption certificates to be furnished under this paragraph (c) will be issued by the Ordering Officer.

(DESC 52.229-9F09)

ATTACHMENT 1

PERMITTED ADDITIVES FOR UNLEADED PREMIUM GASOLINE

I. Antioxidants (130 ppm max.)

- A. Aminic antioxidants: N,N'-di-secondary-butyl-para-phenylenediamine)
- B. Phenolic antioxidants
 - 1. (2,6-di-tertiary-butyl-4 butylphenol)
 - 2. (2,6-di-tertiary-butyl-4-methylphenol
 - 3. (2,4-dimethyl-6-6-tertiary-butylphenol)
 - 4. Additive mixture of 75% min. (2,6-di-tertiary-butylphenol) and 25% max. (mono-tertiary-butylphenol and tri-tertiary-butylphenol).
 - 5. Additive mixture of 55% min. (2,4-di-methyl-6-tertiary-butylphenol) 5% min. (2,6-di-tertiary-butyl-4-methylphenol) and the rest will contain a mixture of (monomethyl-tertiary-butylphenol and dimethyl-tertiary-butylphenol).

II. Metal Deactivator (30 ppm max.): (N,N'-disalicylidene-1,2-propanediamine)

III. Rust Inhibitor (10mg/L max.): It is permissible to add rust inhibitors to the gasoline as long as the material added appears on the last edition of QPL-25017.